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United States of America

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

\$404,374.12 IN BANK FUNDS SEIZED
FROM NATIONAL BANK OF ARIZONA
ACCOUNT '0178; \$1,925.80 IN BANK
FUNDS SEIZED FROM NATIONAL BANK
OF ARIZONA ACCOUNT '0151;
\$613,573.28 IN BANK FUNDS SEIZED
FROM NATIONAL BANK OF ARIZONA
ACCOUNT '3645; \$260,283.40 IN
BANK FUNDS SEIZED FROM NATIONAL
BANK OF ARIZONA ACCOUNT '6910;
\$64,552.82 IN BANK FUNDS SEIZED
FROM OR FROZEN IN ASCENSUS
BROKER SERVICES '4301; AND
\$56,902.00 IN BANK FUNDS SEIZED
FROM OR FROZEN IN ASCENSUS
BROKER SERVICES '8001,

Defendants.

No. CV 18-8423-RGK (PJWx)

**FIRST AMENDED VERIFIED COMPLAINT
FOR FORFEITURE**

18 U.S.C. §§ 981(a)(1)(A) & (C)

[U.S.P.I.S.]

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1 The United States of America brings this first amended complaint
2 against the above-captioned asset(s) and alleges as follows:

3 **PERSONS AND ENTITIES**

4 1. The plaintiff is the United States of America ("plaintiff"
5 or the "government").

6 2. The defendants are \$404,374.12 in Bank Funds Seized from
7 National Bank of Arizona Account '0178; \$1,925.80 in Bank Funds
8 Seized from National Bank of Arizona Account '0151; \$613,573.28 in
9 Bank Funds Seized from National Bank of Arizona Account '3645;
10 \$260,283.40 in Bank Funds Seized from National Bank of Arizona
11 Account '6910; \$64,552.82 in Bank Funds Seized from or Frozen in
12 Ascensus Broker Services '4301; and \$56,902.00 in Bank Funds Seized
13 from or Frozen in Ascensus Broker Services '8001 (collectively, the
14 "Defendant Assets").

15 3. The Defendant Assets are held in the names of James Larkin,
16 Margaret Larkin, Ocotillo Family trust, Troy C. Larkin, and/or Ramon
17 Larkin. The persons and entities whose interests may be affected by
18 this action are James Larkin, Margaret Larkin, Ocotillo Family trust,
19 Troy C. Larkin, and Ramon Larkin.

20 4. Contemporaneously with the filing of this first amended
21 complaint, plaintiff is filing related actions seeking the civil
22 forfeiture of the following assets (collectively, the "Subject
23 Assets"):

24 **FUNDS HELD IN THE NAME OF POSTING SOLUTIONS:**

25 a. \$3,374,918.61 seized from Prosperity Bank account '7188
26 ("Prosperity '7188 Funds" or "Account 1") held in the name of Posting
27
28

Solutions, LLC.¹

FUNDS HELD IN THE NAME OF CEREUS PROPERTIES LLC:

b. \$5,462,027.17 seized from Compass Bank account '3873 ("Compass '3873 Funds" or "Account 2"), held in the name of Cereus Properties, LLC, an entity owned or controlled by Scott Spear.

c. \$407,686.14 seized from Compass Bank account '4862 ("Compass '4862 Funds" or "Account 3"), held in the name of Cereus Properties, LLC.

ASSETS HELD BY OR FOR THE BENEFIT OF BY MICHAEL LACEY:

d. \$689,884.48 seized from First Federal Savings & Loan of San Rafael account '3620 ("FFS&L of SR '3620 Funds" or "Account 4"), held in the name of Michael Lacey ("Lacey");

e. \$515,899.85 seized from Republic Bank of Arizona account '2485 ("RBA '2485 Funds" or "Account 5"), held in the name of Lacey;

f. \$75,835.31 seized from Republic Bank of Arizona account '1897 ("RBA '1897 Funds" or "Account 6"), held in the name of Lacey;

g. \$500,000.00 seized from Republic Bank of Arizona account '3126 ("RBA '3126 Funds" or "Account 7"), held in the name of Lacey;

h. \$600,000.00 seized from or frozen in Republic Bank of Arizona Certificate of Deposit ("CDARS")² account '8316 ("RBA '8316 Funds" or "Account 8"), held in the name of Lacey;

i. \$302,177.57 seized from or frozen in Republic Bank of Arizona CDARS account '8324 ("RBA '8324 Funds" or "Account 9"), held

¹ Attached hereto as exhibit A is an index of the Subject Assets that consist of funds or securities on deposit at or seized from financial institutions.

² CDARS is a program that allows a depositor to spread funds across several banks in order to maintain account balances below the Federal Deposit Insurance Corporation's insurance limits at any particular bank.

1 in the name of Lacey;

2 j. \$300,000.00 seized from or frozen in Republic Bank of
3 Arizona CDARS account '8332 ("RBA '8332 Funds" or "Account 10"), held
4 in the name of Lacey;

5 k. \$734,603.70 seized from or frozen in Credit Union account
6 '2523 ("SFFCU '2523 Funds" or "Account 11"), held in the name of
7 Lacey;

8 l. \$2,412,785.47 seized from or frozen in place at Money Gram,
9 having originated from Midfirst Bank account '4139 ("IOLTA³ '4139" or
10 Account 12), held in the name of attorney, "J.B." for the benefit of
11 Lacey;

12 m. All right and title to the real property located in
13 Sebastopol, California titled in the name of Finca Manzana for
14 Sebastopol, LLC ("Sebastopol Property"), APN 076-100-0008-000,
15 including all appurtenances, improvements, and attachments thereon,
16 as well as all leases, rents, and profits derived therefrom;⁴

17 n. All right and title to the real property located in San
18 Francisco, California titled in the name of Lacey and Alyson Talley
19 ("San Francisco Property 1"), APN 07-1008-057-01, including all
20 appurtenances, improvements, and attachments thereon, as well as all
21 leases, rents, and profits derived therefrom;

22 o. All right and title to the real property located in San
23 Francisco, California titled in the name of Casa Bahia for San
24 Francisco, LLC ("San Francisco Property 2"), APN 0563-029, including
25 all appurtenances, improvements, and attachments thereon, as well as
26

27 ³ An "IOLTA" is the common name for an Interest on Lawyer Trust
28 Account.

⁴ Pursuant to Local Rule 5.2-1, only the city and state of
residence addresses are set forth in this First amended complaint

1 all leases, rents, and profits derived therefrom;

2 p. All right and title to the real property located in San
3 Francisco, California titled in the name of Lacey ("San Francisco
4 Property 3"), APN 0097C011, including all appurtenances,
5 improvements, and attachments thereon, as well as all leases, rents,
6 and profits derived therefrom;

7 q. All right and title to the real property located in Sedona,
8 Arizona titled in the name of Creek Hideaway, LLC ("Sedona
9 Property"), APN 405-06-001B, including all appurtenances,
10 improvements, and attachments thereon, as well as all leases, rents,
11 and profits derived therefrom;

12 r. All right and title to the real property located in
13 Paradise Valley, Arizona titled in the name of Lacey ("Paradise
14 Valley Property 1"), APN 173-11-006C, including all appurtenances,
15 improvements, and attachments thereon, as well as all leases, rents,
16 and profits derived therefrom;

17 s. All right and title to the real property located in
18 Paradise Valley, Arizona titled in the name of Lacey ("Paradise
19 Valley Property 2"), APN 164-05-122, including all appurtenances,
20 improvements, and attachments thereon, as well as all leases, rents,
21 and profits derived therefrom;

22 **ASSETS HELD BY OR FOR THE BENEFIT JAMES LARKIN:**

23 t. \$1,546,076.35 seized from Republic Bank of Arizona account
24 '1889 ("RBA '1889 Funds" or "Account 13"), held in the name of James
25 Larkin ("Larkin");

26 u. \$1,001,731.18 seized from Republic Bank of Arizona account
27 '2592 ("RBA '2592 Funds" or "Account 14"), held in the name of
28 Larkin;

1 v. \$206,156.00 seized from Republic Bank of Arizona account
2 '1938 ("RBA '1938 Funds" or "Account 15"), held in the name of
3 Larkin;

4 w. \$501,248.14 seized from Republic Bank of Arizona account
5 '8103 ("RBA '8103 Funds" or "Account 16"), held in the name of
6 Larkin;

7 x. \$251,436 seized from Republic Bank of Arizona account '8162
8 ("RBA '8162 Funds" or "Account 17"), held in the name of Larkin;

9 y. Any and all funds on deposit in Republic Bank of Arizona
10 account '8189 ("RBA '8189 Funds" or "Account 18"), held in the name
11 of Larkin. RBA is holding the account until it matures, at which
12 time RBA will issue a check to the government for all funds in
13 Account 18;

14 z. \$621,832.06 in U.S. currency seized from Perkins Coie Trust
15 Company account '0012 ("PCTC '0012 Funds" or "Account 19"), held in
16 the name of Margaret Larkin ("M. Larkin");

17 aa. \$9,882,828.72 in securities or investment instruments
18 seized from Perkins Coie Trust Company account '0012 ("PCTC
19 Investment Funds" or "Account 20"), held in the name of M. Larkin;

20 bb. \$34,149,280.00 seized from Acacia Conservation Fund LP
21 account '2020 ("ACF Funds" or "Account 21"), held in the name of
22 Ocotillo Family Trust;

23 cc. \$278.73 seized from Bank of America account '8225 ("BA
24 '8225 Funds" or "Account 22"), held in the name of Troy C. Larkin
25 ("T. Larkin");

26 dd. \$1,038.42 seized from Bank of America account '7054 ("BA
27 '7054 Funds" or "Account 23"), held in the name Ramon Larkin ("R.
28 Larkin");

1 ee. All right and title to the real property located in Saint
 2 Helena, California titled in the name of Larkin and M. Larkin,
 3 Trustees for Ocotillo Family Trust ("Saint Helena Property"), APN
 4 030-050-028-000, including all appurtenances, improvements, and
 5 attachments thereon, as well as all leases, rents, and profits
 6 derived therefrom;

7 ff. All right and title to the real property located in
 8 Chicago, Illinois titled in the name of John C. Larkin ("J.C.
 9 Larkin"), M. Larkin and Larkin ("Chicago Property"), APN 20-14-201-
 10 079-1054, including all appurtenances, improvements, and attachments
 11 thereon, as well as all leases, rents, and profits derived therefrom;

12 **ASSETS HELD BY OR FOR THE BENEFIT OF JOHN BRUNST:**

13 gg. \$359,527.06 seized from Compass Bank account number '3825
 14 ("Compass '3825 Funds" or "Account 24"), held in the name of the John
 15 Brunst Family Trust;

16 hh. \$5,848,729.00 seized from Alliance Bernstein account '6878
 17 ("AB '6878 Funds" or "Account 25"), held in the name of the Brunst
 18 Family Trust;

19 ii. \$372,878.00 seized from Alliance Bernstein account '4954
 20 ("AB '4954 Funds" or "Account 26"), held in the name of the Brunst
 21 Family Trust;

22 jj. \$342,596.00 seized from Alliance Bernstein account '7982
 23 ("AB '7892 Funds" or "Account 27"), held in the name of the Brunst
 24 Family Trust;

25 kk. \$306,277.00 seized from Alliance Bernstein account '7889
 26 ("AB '7889 Funds" or "Account 28"), held in the name of the Brunst
 27 Family Trust;

28 ll. \$275,328.00 seized from Alliance Bernstein account '7888

1 ("AB '7888 Funds" or "Account 29"), held in the name of the Brunst
2 Family Trust;

3 mm. \$527,624.00 seized from Alliance Bernstein account '6485
4 ("AB '6485 Funds" or "Account 30"), held in the name of the Brunst
5 Family Trust;

6 **ASSETS HELD BY OR FOR THE BENEFIT OF SCOTT SPEAR:**

7 nn. \$404,374.12 seized from National Bank of Arizona account
8 '0178 ("NBA '0178 Funds" or "Account 31"), held in the name of Scott
9 Spear ("Spear");

10 oo. \$1,925.80 seized from National Bank of Arizona account
11 '0151 ("NBA '0151 Funds" or "Account 32"), held in the name of Spear
12 and Ellona Spear ("E. Spear"); and

13 pp. \$613,573.28 seized from National Bank of Arizona account
14 '3645 ("NBA '3645 Funds" or "Account 33"), held in the name of Spear
15 and E. Spear Family Trust.

16 qq. \$260,283.40 seized from National Bank of Arizona account
17 '6910 ("NBA '6910 Funds" or "Account 34"), held in the name of Spear
18 and E. Spear Family Trust.

19 rr. \$64,552.82 seized from or frozen in Ascensus Broker
20 Services '4301 ("ABS '4301 Funds" or "Account 35"), held in the name
21 of Natasha Spear ("N. Spear").

22 ss. \$56,902.99 seized from or frozen in Ascensus Broker
23 Services '8001 ("ABS '8001 Funds" or "Account 36"), held in the name
24 of N. Spear.

25 **FUNDS HELD IN THE NAME OF PRIMUS TRUST**

26 tt. \$16,500,000 seized from K&H account '1210 ("K&H '1210
27 Funds" or "Account 37"), held in the name of Primus Trust, with Lacey
28 being at least one of the beneficiaries of the Trust. The bank is

1 located in Hungary.

2 **FUNDS HELD IN THE NAME OF GOLD LEAF SRO**

3 uu. €1,680,028.85 seized from Fio account `2226 ("Fio `2226
4 Funds" or "Account 38"), held in the name of the Gold Leaf SRO. The
5 bank is located in the Czech Republic;

6 vv. £60.98 seized from Fio account `2231 ("Fio `2231 Funds" or
7 "Account 39"), held in the name of the Gold Leaf SRO. The bank is
8 located in the Czech Republic;

9 ww. \$72.87 seized from Fio account `2230 ("Fio `2230 Funds" or
10 "Account 40"), held in the name of the Gold Leaf SRO. The bank is
11 located in the Czech Republic;

12 **FUNDS HELD IN THE NAME OF PROTECCTIO SRO**

13 xx. €3,213,937.82 seized from Fio account `4194 ("Fio `4194
14 Funds" or "Account 41"), held in the name of the Protecctio SRO. The
15 bank is located in the Czech Republic;

16 yy. \$52.90 seized from Fio account `4196 ("Fio `4196 Funds" or
17 "Account 42"), held in the name of the Protecctio SRO. The bank is
18 located in the Czech Republic;

19 zz. £52.65 seized from Fio account `4198 ("Fio `4198 Funds" or
20 "Account 43"), held in the name of the Protecctio SRO. The bank is
21 located in the Czech Republic;

22 **FUNDS HELD IN THE NAME OF VARICOK COMPANY SRO**

23 aaa. €605,976.95 seized from Fio account `8083 ("Fio `8083
24 Funds" or "Account 44"), held in the name of the Varicok Company SRO.
25 The bank is located in the Czech Republic;

26 bbb. £458.99 seized from Fio account `8086 ("Fio `8086 Funds" or
27 "Account 45"), held in the name of the Varicok Company SRO. The bank
28 is located in the Czech Republic;

ccc. \$48.10 seized from Fio account '8080 ("Fio '8080 Funds" or "Account 46"), held in the name of the Varicok Company SRO. The bank is located in the Czech Republic.

FUNDS HELD IN THE NAME OF AD TECH BV

ddd. Any and all funds seized from Bank Frick account 'K000 K ("BF 'K000 K Funds" or "Account 47") on or about June 1, 2018, held in the name of Ad Tech BV. The bank is located in the Principality of Liechtenstein;

eee. Any and all funds seized from Bank Frick account 'K000 U ("BF 'K000 U Funds" or "Account 48") on or about June 1, 2018, held in the name of Ad Tech BV. The bank is located in the Principality of Liechtenstein;

fff. Any and all funds seized from Bank Frick account 'K000 E ("BF 'K000 E Funds" or "Account 49") on or about June 1, 2018, held in the name of Ad Tech BV. The bank is located in the Principality of Liechtenstein;

ggg. Any and all funds seized from Bank Frick account 'K001 K ("BF 'K001 K Funds" or "Account 50") on or about June 1, 2018, held in the name of Ad Tech BV. The bank is located in the Principality of Liechtenstein.

FUNDS HELD IN THE NAME OF PROCOP SERVICES BV

hhh. Any and all funds seized from Knab Bank account '7664 ("KB '7664 Funds" or "Account 51") on or about May 24, 2018, held in the name of Procop Services BV. The bank is located in the Kingdom of the Netherlands.

FUNDS HELD IN THE NAME OF GULIETTA GROUP BV

iii. Any and all funds seized from Rabo Bank account '2452 ("RB '2452 Funds" or "Account 52") on or about May 24, 2018, held in the

1 name of the Gulietta Group BV. The bank is located in the Kingdom of
2 the Netherlands.

3 **FUNDS HELD IN THE NAME OF UNIVERSADS BV**

4 jjj. Any and all funds seized from Rabo Bank account '4721 ("RB
5 '4721 Funds" or "Account 53") on or about May 24, 2018, held in the
6 name of the UniversAds BV. The bank is located in the Kingdom of the
7 Netherlands.

8 **FUNDS HELD IN THE NAME OF OLIST OU**

9 kkk. Any and all funds seized from LHV Pank account number '4431
10 ("LHVP '4431 Funds" or "Account 54") on or about June 15, 2018, held
11 in the name of Olist Ou ("Ou"). The bank is located in the Republic
12 of Estonia.

13 **FUNDS HELD IN THE NAME OF CASHFLOWS EUROPE LIMITED**

14 lll. £747,664.15 seized from Saxo Payments account '1262 ("SP
15 '1262 Funds" or "Account 55"), held in the name of the Cashflows
16 Europe Limited ("Cashflows"). Cashflows is holding these funds for
17 the benefit of Gulietta Group B.V., Universads B.V, Procop Services
18 B.V., and Protezione SRO, each of which is an entity owned or
19 controlled by Backpage (defined below). United Kingdom law
20 enforcement officials have restrained the funds held by these four
21 companies and consolidated them into this Saxo Payments account. The
22 bank is located in the United Kingdom.

23 **ASCIO/WMB INC DOMAIN NAMES⁵**

24 mmm. atlantabackpage.com; backpage.be; backpage.com;

25
26 ⁵ Backpage, which operated principally online, controlled
27 numerous internet domain names. These domain names were registered
28 by "ASCIO TECHNOLOGIES INC" DBA "NETNAMES," a domain registrar.
Domain registrars serve to ensure that a registered domain name is
not licensed to more than one user. Domain registration allows the
owner of the domain to direct internet traffic to a specific
webserver.

1 backpage.com.br; backpage.cz; backpage.dk; backpage.ee; backpage.es;
 2 backpage.fi; backpage.fr; backpage.gr; backpage.hu; backpage.ie;
 3 backpage.it; backpage.lt; backpage.mx; backpage.net; backpage.no;
 4 backpage.pl; backpage.pt; backpage.ro; backpage.si; backpage.sk;
 5 backpage.us; backpage-insider.com; bestofbackpage.com;
 6 bestofbigcity.com; bigcity.com; chicagobackpage.com;
 7 denverbackpage.com; newyorkbackpage.com;
 8 phoenixbackpage.com; sandiegobackpage.com; seattlebackpage.com; and
 9 tampabackpage.com (collectively, the "Seized Domain Names"), and all
 10 rights and privileges associated therewith.

SURRENDERED⁶ DOMAIN NAMES

12 nnn. admoderation.com; admoderators.com; adnet.ws;
 13 adplace24.com; adplaces24.com; adpost24.com; adpost24.cz;
 14 adquick365.com; adreputation.com; ads-posted-mp.com; adsplace24.com;
 15 adspot24.com; adspots24.com; adsspot24.com; adtechbv.co.nl;
 16 adtechbv.com; adtechbv.nl; advert-ep.com; adverts-mp.com; axme.com;
 17 back0age.com; backpa.ge; backpae.com; backpage-insider.com;
 18 backpage.adult; backpage.ae; backpage.at; backpage.ax; backpage.be;
 19 backpage.bg; backpage.bg; backpage.ca; backpage.cl; backpage.cn;
 20 backpage.cn; backpage.co.id; backpage.co.nl; backpage.co.nl;
 21 backpage.co.nz; backpage.co.uk; backpage.co.ve; backpage.co.za;
 22 backpage.com; backpage.com.ar; backpage.com.au; backpage.com.ph;
 23 backpage.cz; backpage.dk; backpage.ec; backpage.ee; backpage.ee;
 24 backpage.es; backpage.fi; backpage.fi; backpage.fr; backpage.fr;
 25 backpage.gr; backpage.gr; backpage.hk; backpage.hk; backpage.hu;

27 ⁶ On April 5, 2018, in the District of Arizona, Backpage.com,
 28 LLC and related entities plead guilty to 18 U.S.C. § 1956(h) (money
 laundering conspiracy). Pursuant to its guilty plea, Backpage
 surrendered certain assets, including those identified herein.

1 backpage.hu; backpage.ie; backpage.in; backpage.it; backpage.jp;
2 backpage.kr; backpage.lt; backpage.lv; backpage.lv; backpage.me;
3 backpage.mx; backpage.my; backpage.net; backpage.nl; backpage.no;
4 backpage.no; backpage.nz; backpage.pe; backpage.ph; backpage.pk;
5 backpage.pl; backpage.porn; backpage.pt; backpage.ro; backpage.ro;
6 backpage.se; backpage.sex; backpage.sg; backpage.si; backpage.si;
7 backpage.sk; backpage.sk; backpage.sucks; backpage.tw; backpage.uk;
8 backpage.uk.com; backpage.us; backpage.vn; backpage.xxx;
9 backpage.xyz; backpagecompimp.com; backpagecompimps.com;
10 backpagepimp.com; backpagepimps.com; backpageg.com; backpagegm.com;
11 backpagu.com; backpaoe.com; backpawe.com; backqage.com; backrage.com;
12 backxage.com; bakkpage.com; bcklistings.com; bestofbackpage.com;
13 bestofbigcity.com; bickpage.com; bigcity.com; bpclassified.com;
14 bpclassifieds.com; carlferrer.com; clasificadosymas.com;
15 clasificadosymas.net; clasificadosymas.org;
16 classifiedsolutions.co.uk; classifiedsolutions.net;
17 classyadultads.com; columbusbackpage.com; connecticutbackpage.com;
18 cracker.co.id; cracker.com; cracker.com.au; cracker.id;
19 cracker.net.au; crackers.com.au; crackers.net.au; ctbackpage.com;
20 dallasbackpage.com; denverbackpage.com; easypost123.com;
21 easyposts123.com; emais.com.pt; evilempire.com; ezpost123.com;
22 fackpage.com; fastadboard.com; guliettgroup.nl; http.org;
23 ichold.com; internetspeechfoundation.com;
24 internetspeechfoundation.org; loads2drive.com; loadstodrive.com;
25 loadtodrive.com; losangelesbackpage.com; mediafilecloud.com;
26 miamibackpage.com; minneapolisbackpage.com; mobileposting.com;
27 mobilepostings.com; mobilepostlist.com; mobilposting.com; naked.city;
28 nakedcity.com; newyorkbackpage.com; paidbyhour.com; petseekr.com;

1 petsfindr.com; phoenixbackpage.com; posteasy123.com; postfaster.com;
 2 postfastly.com; postfastr.com; postonlinewith.com; postonlinewith.me;
 3 postseasy123.com; postsol.com; postszone24.com; postzone24.com;
 4 postzones24.com; rentseekr.com; results911.com; sandiegobackpage.com;
 5 sanfranciscobackpage.com; seattlebackpage.com; sellyostuffonline.com;
 6 sfbackpage.com; simplepost24.com; simpleposts24.com; svc.ws;
 7 truckrjobs.com; ugctechgroup.com; universads.nl;
 8 villagevoicepimps.com; websitetechnologies.co.uk;
 9 websitetechnologies.com; websitetechnologies.net;
 10 websitetechnologies.nl; websitetechnologies.org; weprocessmoney.com;
 11 wst.ws; xn--yms-fla.com; ymas.ar.com; ymas.br.com; ymas.br.com;
 12 ymas.bz; ymas.bz; ymas.cl; ymas.cl; ymas.co.bz; ymas.co.bz;
 13 ymas.co.cr; ymas.co.cr; ymas.co.ni; ymas.co.ni; ymas.co.ve;
 14 ymas.co.ve; ymas.com; ymas.com.br; ymas.com.br; ymas.com.bz;
 15 ymas.com.bz; ymas.com.co; ymas.com.co; ymas.com.do; ymas.com.do;
 16 ymas.com.ec; ymas.com.ec; ymas.com.es; ymas.com.es; ymas.com.gt;
 17 ymas.com.gt; ymas.com.hn; ymas.com.hn; ymas.com.mx; ymas.com.ni;
 18 ymas.com.ni; ymas.com.pe; ymas.com.pe; ymas.com.pr; ymas.com.pr;
 19 ymas.com.pt; ymas.com.uy; ymas.com.uy; ymas.com.ve; ymas.com.ve;
 20 ymas.cr; ymas.cr; ymas.do; ymas.do; ymas.ec; ymas.ec; ymas.es;
 21 ymas.es; ymas.org; ymas.pe; ymas.pe; ymas.pt; ymas.us; ymas.us;
 22 ymas.uy; ymas.uy; and ymas.uy.com (collectively, the "Surrendered
 23 Domain Names"), and all rights and privileges associated therewith.

24 OTHER BACKPAGE SURRENDERED ASSETS

25 ooo. \$699,940.00 surrendered on or about April 6, 2018, from ING
 26 Bank account '7684, ("ING '7684 Funds"), held in the name of Payment
 27 Solutions BV.

28 ppp. \$106,988.41 surrendered on or about April 6, 2018, from ING

1 Bank account '2071 ("ING '2071 Funds"), held in the name of Payment
2 Solutions BV.

3 qq. \$499,910.01 surrendered on or about April 6, 2018, from US
4 Bank account '0239 ("US Bank '2039 Funds"), held in the name of
5 Affordable Bail Bonds LLC.

6 rrr. \$50,000.00 surrendered on or about April 6, 2018, from
7 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
8 the name of Global Trading Solutions LLC.

9 sss. \$1,876.36 surrendered on or about August 23, 2018, from ING
10 Bank account '2071 ("ING '2071 Funds"), held in the name of Payment
11 Solutions BV.

12 ttt. \$50,357.35 surrendered on or about August 24, 2018, from
13 ING Bank account '7684 ("ING '7684 Funds"), held in the name of
14 Payment Solutions BV.

15 uuu. \$248,970.00 surrendered on or about May 11, 2018, from
16 Citibank NA, account '0457 ("Citibank NA '0457 Funds"), held in the
17 name of Paul Hastings LLP.

18 vvv. \$52,500.00 surrendered on or about June 25, 2018, from
19 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
20 the name of Global Trading Solutions LLC.

21 www. \$65,000.00 surrendered on or about July 18, 2018, from
22 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
23 the name of Global Trading Solutions LLC.

24 xxx. \$5,534.54 surrendered on or about August 9, 2018, from
25 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
26 the name of Global Trading Solutions LLC.

27 yyy. \$40,000.00 surrendered on or about July 16, 2018, from
28 Crypto Capital

1 zzz. 6 Bitcoins surrendered on or about April 6, 2018, from a
2 Backpage controlled wallet;

3 aaaa. 199.99995716 Bitcoins surrendered on or about April 6,
4 2018, from a Backpage controlled wallet;

5 bbbb. 404.99984122 Bitcoins surrendered on or about April 6,
6 2018, from a Backpage controlled wallet;

7 cccc. 173.97319 Bitcoins surrendered on or about April 26,
8 2018, from a Backpage controlled wallet;

9 dddd. 411.00019 Bitcoins surrendered on or about April 13,
10 2018, from a Backpage controlled wallet;

11 eeee. 2.00069333 Bitcoins surrendered on or about May 7,
12 2018, from a Backpage controlled wallet;

13 ffff. 136.6544695 Bitcoins surrendered on or about June 15,
14 2018, from a Backpage controlled wallet;

15 gggg. 2,673.59306905 Bitcoins Cash surrendered on or about
16 April 26, 2018, from a Backpage controlled wallet;

17 hhhh. 55.5 Bitcoins Cash surrendered on or about May 3,
18 2018, from a Backpage controlled wallet;

19 iiii. 73.62522241 Bitcoins Cash surrendered on or about June
20 15, 2018, from a Backpage controlled wallet;

21 jjjj. 16,310.79413202 Litecoins surrendered on or about
22 April 26, 2018, from a Backpage controlled wallet;

23 kkkk. 783.9735116 Litecoins surrendered on or about June 15,
24 2018, from a Backpage controlled wallet;

25 llll. 509.81904619 Bitcoins Gold surrendered on or about
26 June 21, 2018, from a Backpage controlled wallet; and

27 mmmm. \$3,713,121.03 surrendered on or about August 13, 2018,
28 from Bank of America account '3414, held in the name of Davis Wright

1 Tremaine, LLP.

2 **NATURE OF THE ACTION AND CLAIMS FOR RELIEF**

3 5. This is a civil action *in rem* to forfeit assets derived
 4 from or traceable to proceeds of one or more crimes defined as
 5 "specified unlawful activity" ("SUA"); and/or involved in one or more
 6 conspiracies to launder money, internationally launder money for
 7 promotion of one or more SUA, and/or financial transactions involving
 8 illicit proceeds. The property sought for forfeiture is located in
 9 the United States and abroad, including the Country of Hungary, the
 10 Czech Republic, the Principality of Liechtenstein, and the Kingdom of
 11 the Netherlands.

12 6. The Subject Assets, including the Defendant Assets,
 13 represent property derived from or traceable to proceeds to multiple
 14 knowing violations of federal laws constituting SUA, including 18
 15 U.S.C. §§ 1591 (Sex Trafficking of Children) and 1952 (Interstate and
 16 Foreign Travel in Aid of Racketeering Enterprise). The Defendant
 17 Assets are therefore subject to forfeiture pursuant to 18 U.S.C. §
 18 981(a)(1)(C).

19 7. Further, the Subject Assets, including the Defendant
 20 Assets, represent property involved in or traceable to one or more
 21 transactions or attempted transactions in violation of:

22 a. 18 U.S.C. § 1956(a)(1)(B)(i) (Money Laundering for
 23 Concealment) and a conspiracy to commit such offenses, in violation
 24 of 18 U.S.C. § 1956(h);

25 b. 18 U.S.C. § 1956(a)(2) (International Money Laundering for
 26 Promotion) and a conspiracy to commit such offenses, in violation of
 27 18 U.S.C. § 1956(h); and

28 c. 18 U.S.C. § 1957 (Monetary Transactions with Proceeds of

1 SUA) and a conspiracy to commit such offenses, in violation of 18
2 U.S.C. § 1956(h)

3 The Defendant Assets are therefore subject to forfeiture pursuant to
4 18 U.S.C. § 981(a)(1)(A).

5 **JURISDICTION AND VENUE**

6 8. This civil forfeiture action is brought pursuant to 18
7 U.S.C. § 981(a)(1).

8 9. This Court has jurisdiction over this matter pursuant to 28
9 U.S.C. §§ 1345 and 1355.

10 10. Venue lies in this district pursuant to 28 U.S.C. §§
11 1355(b)(1)(A) or 1355(b)(2) because acts and omissions giving rise to
12 the forfeiture took place in the Central District of California
13 and/or 28 U.S.C. § 1395(b), because certain of the Subject Assets are
14 located in the Central District of California.

15 **INDIVIDUALS AND ENTITIES**

16 11. Backpage.com, LLC, ("Backpage") incorporated in Delaware in
17 2004, was an internet-based company that allowed customers to post
18 on-line classified advertisements. These advertisements were posted
19 in a variety of categories, including adult, automotive, community,
20 dating, jobs, local places, musicians, rentals and services. Prior
21 to its closure by federal law enforcement authorities in April 2018,
22 Backpage was visited by 75 to 100 million unique internet visitors
23 per month.

24 12. Between 2004 and April 2018, Backpage realized annual
25 profits of tens of millions of dollars from adult advertisements.
26 Historically, the adult category, where Backpage advertisers posted
27 sex trafficking ads, made up less than ten percent of all the
28 website's advertisements. However, those ads generated more than 90

1 percent of Backpage's revenue.

2 13. Lacey was a co-creator of Backpage.com who was responsible
3 for the website's policies and strategic direction. Lacey maintained
4 significant control over the website during the relevant period
5 described in this first amended complaint, and continued to receive
6 tens of millions of dollars in Backpage-related distributions even
7 after purportedly selling his interest in Backpage in 2015.

8 14. Larkin was a co-creator of Backpage.com who was responsible
9 for the website's policies and strategic direction. Larkin
10 maintained significant control over the website during the relevant
11 period described in this first amended complaint, and continued to
12 receive tens of millions of dollars in Backpage-related distributions
13 even after purportedly selling his interest in Backpage in 2015.

14 15. Carl Ferrer ("Ferrer"), though not an original owner, was a
15 co-creator and one of the original officers of Backpage, having
16 initially served as Backpage's vice-president, and later as CEO.
17 Ferrer is also the CEO of several Backpage-related entities in the
18 Netherlands, including "Website Technologies," "Amstel River
19 Holdings," and "Ad Tech BV."

20 16. John "Jed" Brunst ("Brunst") was a minority owner of
21 Backpage who owned 5.67 percent of the company at the time of its
22 inception. Brunst served as the Chief Financial Officer of Backpage
23 and several of Backpage's parent companies.

24 17. Spear was a minority owner of Backpage who owned 4.09
25 percent of the company at the time of its inception. Spear served as
26 Executive Vice President of one of Backpage's parent companies.

27 18. "M.G." had no formal position at Backpage, but was the
28 President, Chief Executive Officer, Treasurer, and Secretary of

1 Posting Solutions LLC, a wholly owned Backpage subsidiary with a
2 principal place of business in Dallas, Texas ("Posting Solutions"),
3 which accepted payments from Backpage advertisers. M.G. was also the
4 Chief Financial Officer of Website Technologies, and directed and
5 controlled many of the international and domestic financial
6 transactions of Backpage and its related entities.

7 19. Daniel Hyer ("Hyer") served as Backpage's Sales and
8 Marketing Director. He remained an account signatory for numerous
9 Backpage-controlled entities, including Website Technologies, until
10 Backpage's closure.

11 20. Andrew Padilla ("Padilla") served as Backpage's Operations
12 Manager.

13 21. Joye Vaught ("Vaught") served as Backpage's assistant
14 Operations Manager.

15 22. Lacey, Larkin, Ferrer, Brunst, Spear, M.G., Hyer, Padilla,
16 and Vaught are referred to collectively herein as "Backpage
17 Operators."

18 EVIDENCE SUPPORTING FORFEITURE

19 **I. The Formation and Evolution of Backpage**

20 23. Lacey and Larkin were the founders of the *Phoenix New*
21 *Times*, an alternative newspaper based in Arizona. Lacey and Larkin
22 subsequently acquired several other alternative newspapers that they
23 operated through an entity called Village Voice Media Holdings
24 ("VVMH"). Spear served as VVMH's Executive Vice President and Brunst
25 served as VVMH's Chief Financial Officer.

26 24. As far back as the 1980's, VVMH publications routinely
27 included ads for prostitution.

28 25. By 2000, the popularity of the website www.craigslist.com

1 ("Craigslist"), which offered free classified ads that included
2 prostitution ads, began to disrupt VVMH's business, which depended on
3 classified advertising revenue.

4 26. Lacey and Larkin, assisted by Ferrer, sought to address
5 this disruption by creating Backpage, which would compete directly
6 with Craigslist. As stated in an internal Backpage document, "[I]n
7 2004, in response to the Craigslist threat that was decimating daily
8 newspapers, VVMH launched its own online classified site,
9 Backpage.com, named after the back page of VVMH's print publication."

10 27. From 2004 until 2015, Lacey and Larkin bore primary
11 responsibility for Backpage's policies and strategic direction. In
12 2015, Lacey and Larkin purported to sell to Ferrer all or
13 substantially all of their respective interests in Backpage. In
14 fact, Lacey and Larkin retained significant control over Backpage,
15 and both continued to receive millions of dollars of annual
16 distributions of Backpage revenue after the purported sale.

17 28. From its inception, most of Backpage's earnings represented
18 the proceeds of illegal activity, specifically prostitution and sex
19 trafficking, including child sex trafficking. By 2015, the major
20 credit card companies were refusing to process payments to or for
21 Backpage, and banks were closing Backpage's accounts out of concern
22 the accounts were being used for illegal purposes.

23 29. In response to these measures, the Backpage Operators
24 initiated and pursued a wide variety of money laundering strategies
25 and techniques designed, in part, to conceal the source and location
26 of the revenues generated by Backpage ads, including ads for human
27 trafficking and illegal prostitution. These strategies included (a)
28 instructing customers to send checks and money orders to a Post

Office box, funneling those funds into bank accounts held in the names of entities with no apparent connection to Backpage, and then giving customers a corresponding "credit" to purchase Backpage ads; (b) accepting Backpage proceeds through foreign bank accounts and thereafter redirecting the funds to Backpage Operators in the U.S. and abroad, or transferring the funds back to domestic bank accounts (to conceal the nature, source, location, ownership and control of those funds and promote Backpage's ongoing illegal operations); and (c) converting customers payments and the proceeds of Backpage's illegal business into and out of digital currency.⁷

II. The Sources and Manipulation of Backpage Criminal Proceeds

A. Backpage Promotion of Prostitution and Sex Trafficking

30. Numerous Backpage ads were used to sell minors for sex and forcibly traffic adult women for sex. Among the pimps and sex traffickers who used Backpage to advertise their victims were many who were later convicted of sex trafficking offenses. For example,

a. During 2014 and 2015, a pimp sold S.F., a minor girl, for sex. The pimp advertised S.F. on Backpage's "Escort" section in the Los Angeles area of California and in Arizona. The ad contained phrases such as "New In Town" and "Sexy Dark Asian Bombshell with a Nice & Tight {Booty}." The ad selling S.F. on Backpage included multiple pictures showing her legs, stomach, shoulders and buttocks. The pimp who placed the ad was ultimately arrested, convicted on

⁷ Digital currency (also known as crypto-currency) is generally defined as an electronic-sourced unit of value that can be used as a substitute for fiat currency (i.e., currency created and regulated by a sovereign government). It exists entirely on the Internet and is not stored in any physical form. It is not issued by any government, bank, or company, but is instead generated and controlled through computer software operating on a decentralized peer-to-peer network. Bitcoins, Bitcoins Cash and Litecoin are types of crypto-currency.

1 state sex trafficking charges, and sentenced to 196 years
2 imprisonment.

3 b. During 2014 and 2015, the same pimp sold A.C., a minor
4 girl, for sex. In November 2014, at the age of 17, A.C. was first
5 sold for sex through a Backpage ad using phrases such as "NEW IN
6 TOWN," "sexy sweet," and "sweet like honey but super hot like fire."
7 The Backpage ad selling A.C. included pictures of her showing her
8 legs, stomach, shoulder, and buttocks, and posed in sexually
9 provocative positions.

10 c. Between November and December 2015, a pimp drove two women
11 and four minor girls (T.S., S.L., K.O., and R.W.) from Columbus, Ohio
12 to a hotel in St. Charles, Missouri. The next day, the pimp told the
13 girls to post ads on Backpage.com. Some of the girls took calls and
14 engaged in paid sex acts with Backpage customers who responded to the
15 ads. The ads the girls posted included pictures of them on a bed
16 showing their buttocks. Another image featured a naked girl's body
17 pressed against a mirror. Other pictures appeared more mundane, such
18 as images of girls posing clothed in front of a mirror. However,
19 these ads used phrases like "I'm sweet as a treat maybe even sweeter"
20 and "not a lot need to be said. my pic are 100% real." In 2017, this
21 pimp was convicted of Federal sex trafficking charges and sentenced
22 to 300 months in prison.

23 d. In or around 2010, in Washington, J.S., a minor girl, was
24 sold for sex through the use of Backpage ads. J.S.'s pimp drafted
25 the ads, which contained words and phrases such as,
26 "W'E'L'L_W'O'R'T'H_I'T***^***150HR" and "IT WONT TAKE LONG AT ALL."
27 The ads included pictures of J.S. in provocative positions showing
28 her breasts and buttocks. On March 29, 2011, the pimp who sold J.S.

1 for sex was sentenced to over 26 years imprisonment on Federal
2 charges related to sex trafficking.

3 e. Between 2011 and 2016, a female victim, D.O., who was
4 between the ages of 14 and 19 during those years, was sold for sex
5 through Backpage ads. D.O.'s female pimp instructed D.O. that
6 Backpage was the safest place to advertise because Backpage did not
7 require age verification. D.O.'s Backpage ads included words and
8 phrases that were indicative of prostitution, such as "roses" (money)
9 and "back door" (anal sex). Some of the customers who responded to
10 D.O.'s Backpage ads forced D.O. to perform sexual acts at gunpoint,
11 choked her to the point of having seizures, and gang-raped her.

12 31. Plaintiff alleges that all levels of Backpage management,
13 including the Backpage Operators, were aware of Backpage's role in
14 promoting criminal activity. For example:

15 a. On September 21, 2010, a group of state attorneys general
16 ("AG") wrote a letter to Backpage observing that "ads for
17 prostitution-including ads trafficking children-are rampant on the
18 site," and arguing that "[b]ecause Backpage cannot, or will not,
19 adequately screen these ads, it should stop accepting them
20 altogether." The state AGs acknowledged that this step would cause
21 Backpage to, "lose the considerable revenue generated by the adult
22 services ads," but stated that "no amount of money can justify the
23 scourge of illegal prostitution, and the misery of the women and
24 children who will continue to be victimized in the marketplace
25 provided by Backpage."

26 b. Also in mid-September 2010, Ferrer wrote an email
27 explaining that Backpage was unwilling to delete ads that included
28 terms indicative of prostitution because doing so would "piss[] off a

1 lot of users who will migrate elsewhere," and force Backpage to
2 refund those customers' fees.

3 c. In January 2017, the U.S. Senate Subcommittee on Permanent
4 Investigations ("Subcommittee") conducted a lengthy investigation
5 into sex trafficking and Backpage, resulting in a 50-page report
6 entitled "Backpage.com's Knowing Facilitation of Online Sex
7 Trafficking." The report concluded, among other things, that
8 virtually all of Backpage's "adult" ads were actually solicitations
9 for illegal prostitution services and that "Backpage [] maintained a
10 practice of altering ads before publication by deleting words,
11 phrases, and images indicative of criminality, including child sex
12 trafficking Those practices served to sanitize the content
13 of innumerable advertisements for illegal transactions-even as
14 Backpage represented to the public and the courts that it merely
15 hosted content others had created." In response to the
16 Subcommittee's report, Backpage purported to shut down the "adult"
17 section of its website. However, a review of several thousand
18 Backpage ads demonstrated that the prostitution ads simply migrated
19 to other sections of the website, where they remained accessible
20 until the site was forced to shut down.

21 d. On August 5, 2011, Backpage received a letter from the
22 mayor of Seattle. This letter warned, "Seattle Police have
23 identified an alarming number of juvenile prostitutes advertised on
24 Backpage.com since January 2010," and explained that Backpage was
25 dissimilar from other companies whose products and services are
26 "occasionally or incidentally" utilized by criminals because "[y]our
27 company is in the business of selling sex ads" and "your services are
28 a direct vehicle for prostitution." The letter recommended that

1 Backpage require in-person age verification for all of the "escorts"
2 depicted in its ads. Backpage never instituted an in-person age
3 verification requirement.

4 32. Backpage instituted and maintained policies and procedures
5 designed to cultivate and sustain its promotion of sex trafficking
6 and prostitution, but which "sanitized" some of the language Backpage
7 customers used to advertise in order to make the advertising of sex
8 trafficking less overt. Backpage referred to this practice as
9 "moderation." For example:

10 a. In April 2008, Ferrer wrote an email explaining that,
11 although he (Ferrer) was "under pressure to clean up Phoenix's adult
12 content," he was unwilling to delete prostitution ads because doing
13 so "would put us in a very uncompetitive position with craig[slist]"
14 and result in "lost pageviews and revenue." Ferrer instructed
15 Backpage's technical staff to edit the wording of such ads by
16 removing particular terms that were indicative of prostitution, but
17 allow the remainder of the ad to be featured on Backpage's website.

18 b. On October 8, 2010, a Backpage manager sent an email to
19 certain Backpage employees and managers threatening to fire any
20 Backpage employee who acknowledged, in writing, that a customer was
21 advertising prostitution: "Leaving notes on our site that imply that
22 we're aware of prostitution, or in any position to define it, is
23 enough to lose your job over. . . . This isn't open for discussion.
24 If you don't agree with what I'm saying completely, you need to find
25 another job."

26 c. On October 16, 2010, the same Backpage manager sent an
27 email to a large group of Backpage employees that contained two
28 attachments providing guidance on how to "moderate" ads. The first

1 was a PowerPoint presentation that displayed a series of 38 nude and
2 partially-nude photographs, some of which depicted graphic sex acts.
3 Next to each picture was an instruction as to whether it should be
4 approved or disapproved by a Backpage moderator. These instructions
5 included "Approve. Nude rear shots are okay as long the model is not
6 exposing her anus or genitalia." and "Approve. Rear shot okay.
7 Transparent wet panties okay." The second attachment was an Excel
8 spreadsheet identifying 50 terms (all of which were indicative of
9 prostitution) that should be "stripped" from ads before publication.
10 The Backpage manager concluded the email by stating, "[I]t's the
11 language in ads that's really killing us with the Attorneys General.
12 Images are almost an afterthought to them."

13 d. On October 16, 2010, the same Backpage manager sent an
14 internal email explaining, "I'd like to still avoid Deleting ads when
15 possible;" "we're still allowing phrases with nuance;" and "[i]n the
16 case of lesser violations, editing should be sufficient."

17 e. On October 25, 2010, Ferrer sent an email to Padilla
18 acknowledging that the "[i]llegal content removed" through Backpage's
19 moderation processes was "usually money for sex act." This email
20 also explained that, after the "sex act pics are removed," the "ad
21 text may stay."

22 f. On October 27, 2010, a different Backpage manager sent an
23 internal email stating that Backpage was "editing 70 to 80%" of the
24 ads it received from customers.

25 g. On June 7, 2011, Ferrer received an inquiry from a law
26 enforcement official about a particular ad that included the term
27 "amber alert." In response, Ferrer acknowledged this might be "some
28 kind of bizarre new code word for an under aged person." Ferrer then

1 forwarded this exchange to a Backpage manager and instructed that the
2 term "amber alert" be added to Backpage's "strip out" list.

3 h. On August 31, 2011, Backpage managers exchanged emails in
4 which they discussed a list of 100 "solid sex for money terms."
5 Later emails indicate that this list of terms changed but, in
6 general, the list prohibited use of certain terms that Backpage
7 management and employees closely identified with the obvious
8 promotion of sex trafficking and prostitution.

9 i. One Backpage manager acknowledged in the August 31, 2011
10 email exchange that a large proportion of the ads originally
11 submitted by Backpage's customers contained text and pictures that
12 were indicative of sex trafficking. Nevertheless, Backpage published
13 those ads after editing them to appear less obvious in promoting
14 illegal activity. Backpage sex trafficking ads adapted to Backpage's
15 moderation policy by using "phrases with nuance" when promoting sex
16 trafficking. Following the implementation of "moderation,"
17 Backpage's list of prohibited terms changed and evolved over time to
18 adjust to Backpage advertisers' use of new code words to promote
19 prostitution. In other words, once a code word or phrase not
20 previously associated with sex-for-money became too familiar, or was
21 deemed too closely associated with certain sex trafficking activities
22 in the Backpage community of advertisers, Backpage's "moderation"
23 policy would be adapted by adding such words or phrases to the
24 "blocked" list or risk being too obvious in its promotion.

25 33. Plaintiff alleges that Backpage's policy of "moderation"
26 only caused ads explicitly promoting sex trafficking to become more
27 coded and implicit in the ads' purpose.

28 a. Well over half of the Backpage classified ads in various

1 Backpage categories used terms and phrases (including "massage,"
2 "dating," "escort" and others) that are consistent with sex
3 trafficking and prostitution. These terms and phrases included,
4 "roses" (money, e.g., "150 roses/half hour"), "in-call" (where the
5 customer goes to the prostitute's location), "outcall" (where the
6 prostitute goes to the customer's location), "GFE" (girlfriend
7 experience), and "PSE" (porn star experience).

8 b. Other Backpage ads used language that was mostly free of
9 coded language, but included sexually provocative images. The
10 sexually suggestive images included in these ads were typical of ads
11 for prostitution. For example, one such ad posted in Backpage's Los
12 Angeles dating section depicted images of a woman on a bed with her
13 buttocks presented in a sexual manner; another included a picture of
14 a woman's cleavage; others included pictures of women posing in
15 sexual positions wearing lingerie and pictures of a woman bending
16 over, revealing her naked buttocks.

17 c. Backpage's policy of moderation had the effect of causing
18 and allowing otherwise neutral or innocuous terms to be understood
19 within the Backpage community as coded language for sex trafficking
20 and prostitution. Because of the evolving use of coded terms, a
21 reader of such ads who was familiar with the particular vocabulary
22 used in Backpage "adult" ads could readily identify coded terms and
23 images indicating an ad for prostitution, while an uninitiated reader
24 may not understand these terms at all, or at least not as being
25 associated with sex-for-money.

26 34. Almost all "adult"-type Backpage ads listed phone numbers
27 or emails that a potential customer could use to make contact with
28 the advertiser. Comparing a sample of phone numbers and emails found

1 within Backpage ads with phone numbers and emails that were
2 frequently included in the memo sections of checks that Backpage
3 advertisers use to pay Backpage for ads, revealed that the same
4 numbers and/or email addresses appeared in multiple Backpage ads as
5 contact information. For example:

6 a. A \$25 USPS Money Order purchased on June 15, 2017, in
7 Duarte, California, made payable to "Posting Solutions PO BOX 802426,
8 Dallas, TX," and thereafter deposited into Account 1, bore a notation
9 listing a phone number and the words "Dulce Latina." A search of
10 Backpage ads showed almost 800 advertisements listing the same phone
11 number.

12 b. A \$20 USPS Money Order purchased in Sacramento, California,
13 and later deposited into Account 1 bore a notation listing a phone
14 number and the words "love my lips." A search of Backpage ads
15 revealed almost 1300 advertisements listing the same phone number.

16 c. A \$150 Wells Fargo Bank Money Order, purchased in Arizona,
17 and made payable to "Posting Solutions," bore an email address and
18 the words, "red hot stuff." The same email address was found to be
19 associated with advertisements on several female escort websites that
20 directed customers to contact an Arizona phone number ending in 2397.
21 A search of Backpage.com for this phone number revealed approximately
22 760 ads that included this phone number. These Backpage ads included
23 images indicative of prostitution. For example, one such ad posted
24 on Backpage's "massage" section included sexual images such as a
25 woman lying on a bed wearing lingerie and a woman laying naked on her
26 stomach. One of the ads described, "Pampering provider | Body Rub
27 Massage | Body Shampoo | Body Scrub | 4 hands | Walk ins or
28 appointment." Legal massage advertisements do not typically depict

1 sexual images. This advertisement depicted sexual images and
2 included terms like "4 hands," which is coded language describing a
3 massage given to a customer by two women. Such advertisements are
4 indicative of prostitution.

5 35. The Backpage ads that shared the same phone number or email
6 address typically also included sexually suggestive images of
7 different women. Such ads are consistent with ads posted by pimps or
8 prostitution agencies that are using the same phone number or email
9 to advertise different women (or girls) to prospective prostitution
10 clients.

11 **B. Payments for Advertising on Backpage**

12 36. In order to post an ad on Backpage, an advertiser had to
13 pay Backpage by one of several methods, including check, cash, and,
14 until about 2015, credit card payments processed through U.S. credit
15 card payment processors. The proceeds from these ads, the vast
16 majority of which were sexually explicit in nature, would then be
17 deposited into various Backpage owned or controlled bank accounts.
18 For example, Backpage's U.S. Bank account '1165, originated in or
19 about April 2010, received several million dollars from the revenue
20 generated from the sale of ads, including ads promoting the
21 trafficking of minors and illegal prostitution.

22 37. However, in or around 2015, following negative publicity
23 associated with Backpage, some of the major credit card companies
24 enacted what Backpage Operators termed a "blockade." Essentially,
25 these companies refused to process credit card payments directed to
26 Backpage. In order to circumvent the blockade, Ferrer and other
27 Backpage Operators set up agreements with foreign persons and
28 partners to "franchise" websites for the sole purpose of accepting

1 credit card payments outside of the United States, with the funds
2 being funneled to Backpage.

3 38. Also in or around 2015, in response to the blockade,
4 Backpage designed a mechanism to allow advertisers to buy Backpage
5 "credits," which could be accomplished in several ways, including:

6 a. mailing gift cards, checks, or money orders to "Posting
7 Solutions" at a P.O. Box in Dallas, Texas;

8 b. using a credit card to buy credits through a third-party
9 credit card payment processor;

10 c. paying with digital currency (specifically, Backpage
11 accepted Bitcoins, Bitcoins Cash, Litecoin, and Ethereum). If the
12 advertiser selected this option, Backpage provided a digital currency
13 wallet address where the advertiser could send the electronic
14 transfer of the digital currency; and

15 d. paying with currency through a third party payment
16 processor. Once the third-party payment processor received the
17 currency, it would convert it to digital currency and then
18 electronically transfer that digital currency to a Backpage digital
19 currency wallet.

20 39. Digital Currency was processed through the subject accounts
21 in the following way:

22 a. When Backpage received digital currency, it would aggregate
23 the digital currency and then transfer it to a third-party exchanger
24 like GoCoin;⁸

25
26 ⁸ GoCoin is a digital currency exchanger that converts Bitcoins
27 and another digital currency into fiat currency, like the U.S. Dollar
28 or the Euro. GoCoin is owned by Manx Broadcasting Corporation, based
in the Isle of Man. GoCoin has offices in Singapore and Santa
Monica, California, and GoCoin holds bank accounts in several
countries, most or all of which are outside the United States.

1 b. In exchange for the digital currency, the exchanger would
2 transfer U.S. dollars from its foreign bank account(s) into Backpage
3 operating accounts in the United States or elsewhere. The exchanger
4 could then sell its Bitcoins on various Bitcoins markets.

5 40. Bitcoins payments for ads have resulted in the trafficking
6 of minors for sex. For example:

7 a. On September 6, 2015, a Bitcoins account associated with
8 the owner of the email address later convicted of having trafficked
9 minors for sex paid Backpage about \$4 worth of Bitcoins in order to
10 post an ad promoting the trafficking of certain victims in Palm
11 Springs, California.

12 b. On September 15, 2015, an email from the same email address
13 owner indicated a payment to Backpage of about \$8 worth of Bitcoins
14 in order to "Fund Account"⁹ for palmsprings.backpage.com.

15 c. On October 6, 2015, the same email address owner paid
16 Backpage about \$1 worth of Bitcoins to "Fund Account" on
17 palmsprings.backpage.com.

18 d. On October 30, 2015, a Bitcoins account associated with the
19 owner of the email address who trafficked minors for sex paid
20 Backpage about \$1 worth of Bitcoins in order to post an ad promoting
21 the trafficking of certain victims in Columbus, Ohio.

22 e. On November 2, 2015, this same email address owner paid
23 Backpage about \$1 worth of Bitcoins to "Move Ad to Top of Listings"
24 in the Columbus, Ohio Backpage ads.

25 f. On November 21, 2015, this same email address owner paid
26 Backpage about \$1 worth of Bitcoins to Backpage for credit for that

27 ⁹ The email address owner provided Bitcoins to Backpage as a
28 "Fund Account" payment, that is, payment to Backpage as credit to be
used later to pay for Backpage ads.

1 email owner's Backpage ad account.

2 41. Plaintiff contends that five to ten percent of the ads
3 posted on Backpage.com were placed within the Central District of
4 California (including Los Angeles and Orange Counties). Between
5 January 10 and February 3, 2016, approximately 500,000 ads were
6 posted on Backpage.com and paid for with Bitcoins, for which Backpage
7 received over \$3,840,000 in revenue. Of these approximately 500,000
8 ads, approximately 28,400 were posted only in
9 LosAngeles.Backpage.com, Ventura.Backpage.com,
10 SanLuisObispo.Backpage.com, OrangeCounty.Backpage.com, and
11 SanGabrielValley.Backpage.com. These specific ads generated
12 approximately \$184,479 in revenue.

13 42. When an advertiser (or "poster") purchased an ad for
14 prostitution using digital currency, the payment to Backpage (and
15 certain subsequent expenditures) proceeded in the following manner:

16 a. A poster would choose a payment method online (e.g.,
17 through Bitcoins payments);

18 b. If the poster did not already have Bitcoins, the Backpage
19 website would direct the poster to a third-party exchanger to buy
20 Bitcoins;

21 c. Backpage would then provide the poster with a wallet
22 address to send a specific amount of Bitcoins;

23 d. In return for sending the required payment, the poster
24 would receive credit that could be used to post ads on Backpage.

25 e. Backpage would sell the Bitcoins to a third party
26 exchanger, frequently GoCoin, in batches, generally valued in
27 hundreds of thousands, of dollars in order to convert the Bitcoins
28 into U.S. or foreign fiat currency, which GoCoin generally, if not

1 always, would hold in foreign bank accounts;

2 f. GoCoin would then wire funds from foreign accounts to
3 either (1) Backpage controlled foreign accounts; or (2) Backpage
4 controlled operating accounts in the United States;

5 g. These accounts were held and controlled by Backpage
6 Operators in the names of entities controlled by Backpage, including
7 Ad Tech BV, Posting Solutions, Website Technologies, and Cereus
8 Properties.

9 h. The funds derived from these foreign transactions would be
10 used by Backpage to pay service providers, like Verizon in Los
11 Angeles, or transferred to Backpage Operators' accounts and accounts
12 held in their family members' names.

13 i. For example:

14 a. In March 2015, Ad Tech BV, a Netherlands based
15 company, listing Ferrer as CEO and M.G. as CFO, opened a bank account
16 in the Liechtenstein (the "Netherlands Account"). M.G. is the
17 President, CEO, Treasurer and Secretary of Posting Solutions. From
18 March 2015 through November 2017, the Netherlands Account received
19 millions of dollars from Binary Trading SG PTE, Limited ("Binary
20 Trading"). On April 4, 2017, M.G. sent an email to employees of the
21 bank that maintains the Netherlands Account. The email explained:

22 Binary Capital is our trading partner, they hold money in
23 trust for Go Coin [sic]. Rather than incurring 3 sets of
24 wire fees which make our transactions unprofitable, they
25 act as our agent and disburse payments directly from our
26 trust account to our merchant.

27 b. For the period of September 4 through November 23,
28 2015, Backpage advertisers used Bitcoins to purchase about 1,000,000
"adult" ads from Backpage. Backpage then sold those Bitcoins to

1 GoCoin for approximately \$8.6 million. Included among the Bitcoins
2 sold to GoCoin during this period were payments pimps made to
3 Backpage to purchase ads to promote child prostitution.

4 c. For the period of December 14, 2015, through August
5 30, 2016, in approximately 154 wires, GoCoin accounts held in
6 Slovakia (the "Slovakia Account") and Singapore Account (the
7 "Singapore Account") transferred a total of approximately
8 \$26,100,235.83 to Branch Banking & Trust account '2008, in Plano,
9 Texas, owned by Website Technology ("Website Tech Account '2008").
10 On January 15, 2016, the Website Tech Account '2008 transferred
11 \$189,571 to Verizon in Los Angeles, California, in payment for
12 Backpage internet services.

13 d. Between January 21 and August 31, 2016, Website Tech
14 Account '2008 sent approximately 27 wire transfers totaling
15 approximately \$48,000,000 to Arizona Bank & Trust account number
16 '6211, belonging to Cereus Properties LLC, which is owned or
17 controlled by Spear, Backpage, and/or other Backpage Operators.

18 **C. Bases for Forfeiture**

19 43. The Defendant Assets constitute, and are derived from,
20 proceeds traceable to one or more violations of: (1) 18 U.S.C. § 1591
21 (Sex Trafficking of Children); and/or (2) U.S.C. § and 1952
22 (Interstate and Foreign Travel in Aid of Racketeering Enterprise),
23 each of which is SUA under 18 U.S.C. § 1956(c)(7)(A), and a
24 conspiracy to commit such offenses.

25 44. The Defendant Assets were involved in, and are traceable to
26 property involved in, one or more transactions or attempted
27 transactions in violation of 18 U.S.C. § 1956(a)(1)(B)(i) and a
28 conspiracy to commit such offenses, in violation of 18 U.S.C.

1 § 1956(h). Specifically, the Defendant Assets were involved in and
2 are traceable to property involved in one or more financial
3 transactions, attempted transactions, or a conspiracy to conduct or
4 attempt to conduct such transactions involving the proceeds of
5 specified unlawful activity, that is, 18 U.S.C. §§ 1591 and 1952, and
6 were designed in whole or in part to conceal or disguise the nature,
7 location, source, ownership or control of the proceeds of the SUA in
8 violation of 18 U.S.C. § 1956(a)(1)(B)(i).

9 45. The Defendant Assets were involved in, and are traceable to
10 property involved in, one or more transactions or attempted
11 transactions in violation of 18 U.S.C. § 1957, or a conspiracy to
12 commit such offenses, in violation of 18 U.S.C. § 1956(h).

13 Specifically, the Defendant Assets were involved in and are traceable
14 to property involved in one or more financial transactions, attempted
15 transactions, or a conspiracy to conduct or attempt to conduct such
16 transactions in criminally derived property of a value greater than
17 \$10,000 that was derived from SUA, that is, 18 U.S.C. §§ 1591 and
18 1952.

19 **III. Assets Representing, Traceable To, and Involved In**
20 **Specified Unlawful Activity**

21 **A. Account 1 (Prosperity `7188 Funds)**

22 46. On February 15, 2017, Posting Solutions opened Account 1.
23 M.G. is the sole signatory on the account (as described above,
24 Posting Solutions is wholly owned by and controlled by Backpage).

25 47. The application for the P.O. Box identifies the renter of
26 the box as "Website Technologies, LLC/Backpage.com." Listed on the
27 Application were the names of several Backpage Operators, including
28 Ferrer.

1 48. Between August 1 and September 1, 2017, Account 1 received
2 more than \$2,781,750 in wire transfers from foreign banks. For
3 example:

4 a. On or about August 16, 2017, Binary Trading wired \$535,500
5 from an account in Singapore into Account 1.

6 b. On or about August 17, 2017, Binary Trading wired \$528,500
7 from a Singapore account into Account 1.

8 c. On or about August 30, 2017, a company named Trilix PTE LTD
9 ("Trilix"), listing the same Singapore address as Binary Trading and
10 GoCoin, sent four wire transfers from the Singapore account into
11 Account 1, ranging from \$385,450 to \$492,250, totaling approximately
12 \$1,717,750.

13 49. Plaintiff alleges that a substantial percentage of outgoing
14 payments from Account 1 have been payments for the operation of
15 Backpage.com. For example, between July and October 2017, funds were
16 wired from Account 1, as following:

17 a. \$570,530 to Verizon Digital Media Services in Los Angeles
18 for services related to the Backpage.com website; and

19 b. \$1,497 to "Backupify," a company that provided data backup
20 services for Backpage.

21 **CEREUS PROPERTIES ASSETS**

22 **B. Account 2 (Compass `3873 Funds)**

23 50. Account 2 was held in the name of Cereus Properties LLC,
24 and Spear was the sole signatory. This account was funded in part
25 with transfers from Account 1, which funds are alleged to have been
26 traceable to SUA, involved in money laundering, or both, and was used
27 as a funnel account to pay Backpage Operators. On average, during
28 each month of 2017, several hundred thousand dollars were transferred

1 from Account 1 to Account 2. For example:

2 a. On August 31, 2017, Account 1 sent a wire transfer totaling
3 \$487,491.45 to Account 2.

4 b. On September 15, 2017, Account 1 sent a wire transfer
5 totaling \$91,672.67 to Account 2.

6 c. On October 2, 2017, Account 1 sent a wire transfer totaling
7 \$471,766 to Account 2.

8 51. Funds from Account 2 were also used to promote and
9 facilitate prostitution. For example:

10 a. On December 2, 2016, the Netherlands Account transferred
11 \$324,055.85 to Account 2;

12 b. On December 8, 2016, the Netherlands Account transferred
13 \$499,970.00 to Account 2;

14 c. On December 27, 2016, the Netherlands Account transferred
15 \$199,970.00 to Account 2; and

16 d. From March to December 2017, Account 2 paid over \$9,000 to
17 "Cox Communications," an internet services company that Backpage used
18 to facilitate its internet presence and promote its sale of
19 prostitution advertising.

20 **C. Account 3 (Compass '4862 Funds)**

21 52. Account 3, held in the name of Cereus Properties, was
22 funded with transfers from foreign and domestic banks, which funds
23 were traceable to SUA, involved in money laundering, or both,
24 including funds transferred from the Netherlands Account through one
25 of the Backpage Operators' go-between accounts¹⁰ (Wells Fargo Bank
26

27 ¹⁰ A "go-between" (a.k.a., a "pass-through") is an account set up
28 for the main purpose of transferring funds from one or more bank
accounts to various other bank accounts, frequently as an attempt to
further conceal the true source and nature of the funds.

1 account '9863 ("Account '9863")), and eventually funneled into
2 Account 3.

3 **MICHAEL LACEY ASSETS**

4 **D. Account 4 (FFS&L of SR '3620 Funds)**

5 53. Account 4, held in the name of Lacey, was funded with
6 transfers from foreign and domestic banks, which funds were traceable
7 to SUA, involved in money laundering, or both. On October 2, 2017,
8 Account 24 (which was itself funded with transfers from foreign and
9 domestic banks with proceeds traceable to SUA, involved in money
10 laundering, or both), transferred \$297,795 into Account 4, as further
11 described below.

12 **E. Accounts 5-10 (RBA '2485, '1897, '3126, '8316, '8324, and**
13 **'8332)**

14 54. Accounts 5, 6, and 7, each held in the name of Lacey, were
15 funded with transfers from foreign and domestic banks, which funds
16 were traceable to SUA, involved in money laundering, or both.
17 Backpage Operators used Accounts 5, 6, and 7 as pass-through
18 accounts.

19 a. On May 31, 2017, Account 2 transferred approximately
20 \$676,808.04 into Account 5;

21 b. On June 30, 2017, Account 5 transferred \$600,000 to Account
22 6.

23 c. On October 2, 2017, Account 2 made two transfers:

24 i. \$297,795.54 transferred to Account 4; and

25 ii. \$694,856.25 wired to Account 11

26 d. On April 16, 2018, Lacey personally went into the Republic
27 Bank of Arizona, withdrew \$500,000 from Account 5, and then used that
28 \$500,000 as the initial deposit to open Account 7.

1 e. On or about February 15, 2018, Lacey drafted two \$600,000
2 checks (totaling \$1.2 million). One check was drawn from Account 11,
3 and the second was drawn from Account 4. These two checks were used
4 to fund Accounts 8, 9, and 10, respectively, with \$600,000.00,
5 \$300,000.00, and \$300,000.00.

6 **F. Account 11 (SFFCU `2523 Funds)**

7 55. Account 11 is held in the name of Lacey and an individual
8 listed in the Credit Union's records as Lacey's employee and
9 bookkeeper. Account 11 was funded with proceeds alleged to have been
10 traceable to SUA, involved in money laundering, or both.

11 a. On February 2, 2018, Account 2 (which then contained funds
12 traceable to SUA, involved in money laundering, or both) transferred
13 \$734,602.70 into Account 11.

14 **G. Account 12 (IOLTA `4139)**

15 56. Account 12 was an IOLTA held for the benefit of Lacey, and
16 was funded with proceeds traceable to SUA, involved in money
17 laundering, or both.

18 57. On January 4, 2017, the Singapore Account wired \$489,500
19 into a Posting Solutions controlled account held at Veritex Bank (the
20 "Veritex Account"). On January 20, 2017, the Singapore Account
21 directed two additional wires, for \$358,150 and \$470,150
22 respectively, into the Veritex Account. In total, the Singapore
23 Account transferred \$1,317,800 into the Veritex Account.

24 a. On or about February 23, 2017, the Veritex Account directed
25 two payments to Account 2, a wire of \$443,014, and a check for
26 \$27,887.41.

27 b. Between March 30 and September 14, 2017, Account 2 sent
28 five wires totaling \$4,058,063.65 to Account 12.

1 c. In July 2018, Account 12 was closed and a cashier's check
2 totaling \$2,412,785.47 was issued to Lacey's Annuity Fund, held at
3 Account 12.

4 **H. The Sebastopol Property**

5 58. The Sebastopol Property was purchased and maintained, in
6 whole or in part, using funds traceable to SUA, involved in money
7 laundering, or both.

8 59. In a series of transactions in December 2016, illicit
9 proceeds from the Netherlands Account would pass-through Account 2,
10 eventually ending up in Account 11. Additionally, between July and
11 October 2017, additional illicit proceeds from the Singapore Account
12 were passed-through Account 1 to Account 2, and eventually
13 transferred to Account 11. On or about October 10, 2017, over
14 \$10,000 of funds from Account 11 were used to support and maintain
15 the Sebastopol Property.

16 60. On February 11, 2016, a grant deed, instrument number
17 2016010019 of the Sonoma County official records, transferred the
18 Sebastopol Property to Lacey. Thereafter, on April 24, 2017, for no
19 consideration, Lacey transferred title of the Sebastopol Property to
20 his Delaware limited liability company, Sebastopol, LLC. As noted in
21 the grant deed:

22 "There was no consideration for this transfer. This is a
23 transfer between an individual or individuals and a legal
24 entity or between legal entities that results solely in a
25 change in the method of holding title and in which
proportional ownership inters in the realty remain the
same. . ."

26 61. On October 10, 2017, Lacey issued a \$12,956.25 check from
27 Account 11 to Sonoma County Tax Collector. The notation on this wire
28 was "2043 Pleasant Hill Dr Sebastopol."

I. San Francisco, California Property 1

62. San Francisco Property 1 was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.

63. In order to acquire San Francisco Property 2, Lacey used funds transferred through the Singapore Account, the Website Tech Account '2008, and Cereus Properties accounts, as well as annuity accounts that Lacy controlled, as follows:

a. Illicit proceeds were deposited into the Singapore Account, passed-through Account 1, then passed-through Account 2 and transferred to Account 11. Thereafter, funds from Account 11 were used to support and maintain San Francisco Property 1.

b. On May 18, 2016, grant deed instrument number 2016-K245482-00 of the San Francisco County official records, transferred San Francisco Property 1 to Lacey and his female partner.

c. Thereafter, on October 10, 2017, over \$10,000 in funds from Account 11 were used to purchase or maintain San Francisco Property 1.

J. San Francisco Property 2

64. San Francisco Property 2 was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.

65. During the period of December 14 through December 29, 2015, as GoCoin's partial payment for the Bitcoins Backpage sold it during the period of September 4 through November 23, 2015, the Slovakia Account wired over \$1,250,000 to Website Tech Account '2008.

66. After December 14, 2015, Website Tech Account '2008 then transferred funds via multiple pass-through accounts controlled by Lacey and other Backpage Operators, which, as of June 21, 2016,

1 resulted in approximately \$5,400,000 ending up in Arizona Bank &
2 Trust account '1793, controlled by Lacey ("AB&T Account '1793").

3 67. On June 27, 2016, AB&T Account '1793 wired \$397,500.00 to
4 Fidelity National Title Company. The notation on this wire was
5 "XXX(Earnest Money)XXXXXX." On July 20, 2016, AB&T Account '1793
6 wired \$12,859,152.57 to Fidelity National Title Company. The
7 notation on this wire was "XX(Balance of Property)XXXXX."

8 68. Casa Bahia for San Francisco, LLC, a Delaware limited
9 liability company, was the entity used to take title to San
10 Francisco, California Property 2, and is owned by Lacey. On July 21,
11 2016, by grant deed, San Francisco Property 2 was transferred to
12 Lacey. On June 21, 2017, by grant deed and for no consideration,
13 Lacy transferred San Francisco Property 2 to Casa Bahai for San
14 Francisco, LLC, a Delaware limited liability company, as evidenced by
15 instrument number 2017-K466276099 of the San Francisco County
16 official records. As noted in the grant deed:

17 There was no consideration for this transfer. This is a
18 transfer between an individual or individuals and a legal
19 entity or between legal entities that results solely in a
20 change in the method of holding title and in which
proportional ownership inters in the realty remain the
same. . .

21 **K. San Francisco Property 3**

22 69. San Francisco Property 3 was purchased and maintained, in
23 whole or in part, using funds traceable to SUA, involved in money
24 laundering, or both.

25 70. Beginning in February 2013, illicit funds from Backpage's
26 U.S. Bank account '1165 passed-through various Backpage or Backpage
27 Operators accounts, eventually ending up in BMO Harris account '5263,
28 owned or controlled by Lacy. In May 2015, over \$10,000 of funds from

1 BMO Harris account '5263 was used to purchase or maintain San
2 Francisco Property 3.

3 **L. Sedona Property**

4 71. The Sedona Property was purchased and maintained, in whole
5 or in part, using funds traceable to SUA, involved in money
6 laundering, or both.

7 72. In October 2017, Account 2 wired approximately \$297,795 to
8 Account 4. On November 13, 2018, \$6,725.54 from Account 4 was used
9 to support or maintain the Sedona Property.

10 **M. Paradise Valley Property 1**

11 73. Paradise Valley Property 1 was purchased and maintained, in
12 whole or in part, using funds traceable to SUA, involved in money
13 laundering, or both.

14 74. Approximately \$11,480,000 million in illicit funds from
15 Backpage's U.S. Bank account '1165 passed-through various Backpage or
16 Backpage Operators accounts, eventually (between March 15 and
17 September 18, 2014) ending up in BMO Harris account '5263, owned or
18 controlled by Lacy. Thereafter, on March 30, 2015, BMO Harris Bank
19 account '5263 transferred \$774,379.46 towards the purchase of the
20 Paradise Valley Property 1.

21 **N. Paradise Valley Property 2**

22 75. Paradise Valley Property 2 was purchased and maintained, in
23 whole or in part, using funds traceable to SUA, involved in money
24 laundering, or both

25 76. In 2005, for approximately \$1,500,000, Lacey purchased the
26 Paradise Valley Property 2. In 2010, the Paradise Valley Property
27 was used as collateral for a \$1 million loan (the "2010 Loan").
28 Beginning no later than January 2012, illicit proceeds were used to

1 service the debt on the 2010 Loan. Specifically:

2 a. Between February 4 and June 6, 2013, through a series of
3 wire transfers, Backpage's U.S. Bank account '1165 transferred
4 approximately \$41,500,000 to BMO Harris Bank account '5263.

5 b. Between March 2013, and January 2016, through a series of
6 periodic transactions, approximately \$174,749.39 from BMO Harris Bank
7 account '5263 was used to service the debt on the 2010 Loan.

8 **JAMES LARKIN ASSETS**

9 **O. Accounts 13, 15, 16, 17, AND 18 (RBA '1889, '2592, '1938,
10 '1897, '8103, '8162, AND '8189)**

11 77. Account 13, held in the name of Larkin, was funded with
12 proceeds alleged to have been traceable to SUA, involved in money
13 laundering, or both.

14 a. On July 6, 2017, Account 2 transferred \$971,651.51 into
15 Account 13.

16 b. On July 28, 2017, Account 13 transferred \$400,000 into
17 Account 14.

18 78. Account 15 is held in the name of Larkin.

19 a. From March 2015 through November 2017, the Netherlands
20 Account received several millions of dollars in criminal proceeds
21 from Binary Trading.

22 b. On December 2, 2016, the Netherlands Account transferred
23 \$324,055.85 to Account 2.

24 c. On December 8, 2016, the Netherlands Account transferred
25 \$499,970.00 to Account 2.

26 d. On December 27, 2016, the Netherlands Account transferred
27 \$199,970.00 to Account 2, which account then transferred funds
28 through Account '9863 and into Account 3.

1 e. On December 13, 2017, Account 3 transferred \$406,211.10 to
2 Account 15.

3 79. Account 16, 17, and 18 are CDARS Accounts held in the name
4 of Larkin.

5 a. On July 28, 2017, Account 13 transferred \$400,000 into
6 Account 14.

7 b. On or about February 8, 2018, \$1 million in funds from
8 Account 14 was used to fund Account 16 (which received \$500,000),
9 Account 17 (which received \$250,000), and Account 18 (which received
10 \$250,000).

11 **P. Accounts 19 AND 20 (PCTC ACCOUNT '0012 FUNDS, PERKINS COIE**
12 **'0012)**

13 80. Account 19 is held in the name of Larkin's spouse, Margaret
14 Larkin, and was funded with proceeds traceable to SUA, involved in
15 money laundering, or both.

16 a. On December 31, 2015, Website Tech Account '2008
17 transferred \$811,424 to the Slovakia Account.

18 b. On January 11, 2016, the Slovakia Account transferred
19 approximately \$1,300,000 to Charles Schwab account '4693, held in the
20 name of Larkin ("Charles Schwab Account '4693").

21 c. On January 14, 2016, Charles Schwab Account '4693
22 transferred approximately \$13,500,000 to Northern Trust Company
23 account '9562 (under the name "Ocotillo Family Trust," owned and
24 controlled by Larkin and Margaret Larkin).

25 d. In July 21, 2017, Account '9562 transferred \$6,014,000 to
26 Morgan Stanley account '1673 (held in the name of Larkin and Margaret
27 Larkin).

28 e. In or about November 2017, Morgan Stanley elected to

1 terminate its business relationship with Larkin.

2 f. On November 30, 2017, all the funds then held in Morgan
3 Stanley account '1673 (about \$10,000,000) were transferred to Account
4 19.

5 g. Some of the funds in Account 19 were used to purchase bonds
6 and/or securities, which were held in Account 20.

7 **Q. Account 21 (ACF '2020)**

8 81. Account 21 contains securities and investment vehicles held
9 in the name of Ocotillo Family Trust, which is owned and controlled
10 by Larkin and his spouse, and was funded with proceeds traceable to
11 SUA, involved in money laundering, or both.

12 a. During the period of March 23 through March 31, 2016,
13 Website Tech Account '2008 sent three wire transfers totaling
14 \$3,694,813.60 to Arizona Bank & Trust account number '6211, belonging
15 to Cereus Properties ("Account '6211").

16 b. During the period of April 1, 2016, through July 1, 2016,
17 Account '6211 sent five wire transfers totaling \$5,750,294 to Charles
18 Schwab Account '4693.

19 c. On July 1, 2016, Charles Schwab Account '4693 transferred
20 \$15,000,000 to Account 21.

21 d. During the period of August 2, 2016, through October 6,
22 2016, Account '6211 sent six wire transfers totaling \$9,550,315 to
23 Charles Schwab Account '4693.

24 e. On January 3, 2017, Charles Schwab Account '4693
25 transferred \$2,500,000 to Account 21.

26 f. On January 4, 2017, Charles Schwab Account '4693
27 transferred \$2,500,000 Account 21.

1 **R. Accounts 22 AND 23 (BA '8225 and '7054)**

2 82. Account 22 is held in the name of one of T. Larkin, and was
3 used in furtherance of the money laundering scheme described herein,
4 and in an attempt to further conceal or disguise the nature,
5 location, source, ownership or control of the criminal proceeds.

6 83. On February 2, 2018, Account 2 wire transferred \$28,337
7 into Account 22.

8 84. Account 23 is held in the name of R. Larkin. On February
9 2, 2018, Account 2 wire transferred \$28,337 into Account 23.

10 **S. Saint Helena Property**

11 85. The Saint Helena Property was purchased and maintained, in
12 whole or in part, using funds traceable to SUA, involved in money
13 laundering, or both.

14 86. Between February 4 and June 6, 2013, approximately
15 \$41,500,000 in illicit funds were transferred to Camarillo Holdings
16 LLC, BMO Harris Bank account '7172. On October 2, 2013, BMO Harris
17 Bank account '7172 wired \$26,130.64 to Larkin's BMO Harris Bank
18 account '3110. Thereafter, on November 3, 2016, over \$10,000 of
19 funds from BMO Harris Bank account '7172 were used to purchase or
20 maintain the Saint Helena Property.

21 **T. Chicago Property**

22 87. The Chicago Property was purchased and maintained, in whole
23 or in part, using funds traceable to SUA, involved in money
24 laundering, or both.

25 88. Illicit funds originating from Backpage's U.S. Bank account
26 '1165 were passed-through accounts owned or controlled by Backpage or
27 Backpage Operators, and ended up in BMO Harris Bank account '3110.
28 Thereafter, on October 2, 2015, BMO Harris Bank account '3110

1 transferred \$138,000 to Chicago Title and Trust Company as payment
2 towards the purchase of the Chicago Property.

3 **U. Paradise Valley Property 7**

4 89. Paradise Valley Property 7 was purchased and maintained, in
5 whole or in part, using funds traceable to SUA, involved in money
6 laundering, or both

7 90. Illicit funds originating from Backpage's U.S. Bank account
8 '1165 were passed-through accounts owned or controlled by Backpage or
9 Backpage Operators, and ended up in BMO Harris Bank account '3110,
10 from which account over \$10,000 was paid to maintain Paradise Valley
11 Property 7.

12 **JOHN BRUNST ASSETS**

13 **V. Account 24 (COMPASS BANK '3825)**

14 91. Account 24 is held in the name of Brunst, and was used in
15 furtherance of the money laundering scheme described herein, and in
16 an attempt to further conceal or disguise the nature, location,
17 source, ownership or control of the proceeds of SUA.

18 92. On February 2, 2018, Account 2 wire transferred \$135,956.59
19 into Account 24.

20 **W. Account 25, 26, 27, 28, 29, 30 (AB '6878, '4954, '7982,
21 '7889, '7888 AND '6485)**

22 93. Accounts 25, 26, 27, 28, 29, and 30 are held in the name of
23 the "Brunst Family Trust." Brunst and his wife are the sole trustees
24 for these accounts, which were funded with proceeds traceable to SUA,
25 involved in money laundering, or both.

26 a. On December 31, 2015, Website Tech Account '2008
27 transferred \$811,424 to Account '6211.

28 b. On December 6, 2016, Account '6211 transferred \$161,459 to

1 Wells Fargo Bank account '4891, belonging to Brunst ("Account
2 '4891").

3 c. On January 4, 2017, Account '6211 transferred another
4 \$258,841 to Account '4891.

5 d. On January 5, 2017, Account '4891 transferred \$300,000 to
6 Wells Fargo Bank account '7474, belonging to the Brunst Family Trust
7 ("Account '7474").

8 e. On May 19, 2017, Account '7474 transferred approximately
9 \$1,500,000 into Account 25.

10 f. On May 23, 2017, Account 25 transferred approximately
11 \$350,000 to Account 25.

12 g. On June 7, 2017, Account 25 transferred approximately
13 \$1,340,000 to Account 25.

14 h. On September 13, 2017, Account 25 transferred approximately
15 \$581,000 to Account 27.

16 i. On September 13, 2017, Account 25 transferred approximately
17 \$250,000 to Account 28.

18 j. On September 13, 2017, Account 25 transferred approximately
19 \$250,000 to Account 29.

20 k. On September 15, 2017, Account 25 transferred approximately
21 \$500,000 to Account 30.

22
23 **SCOTT SPEAR ASSETS**

24 **X. Accounts 31, 32, AND 33 (NBA '0178, '0151, and '3645)**

25 94. Accounts 31 and 32 are held in the name of Spear, which
26 accounts were funded with proceeds traceable to SUA, involved in
27 money laundering, or both. Account 33 is held in trust for the
28 benefit of Spear and certain of his family members, which account was

1 funded with proceeds traceable to SUA, involved in money laundering,
2 or both. In furtherance of the money laundering scheme, and in an
3 attempt to further conceal the true nature of the criminal proceeds,
4 go-between accounts served to funnel money from one account to
5 another.

6 a. Between January 21 and August 31, 2016, Website Tech
7 Account '2008 sent approximately 27 wire transfers totaling
8 approximately \$48,000,000 to Account '6211.

9 b. Between March 1, 2016, and July 1, 2016, Account '6211
10 transferred \$892,426 into Account 31.

11 c. On September 14, 2017, Account 2 wire transferred
12 \$50,162.05 into Account 31.

13 d. On October 12, 2017, Account 31 transferred approximately
14 \$21,500 into Account 32.

15 e. On January 5, 2018, Account 31 transferred approximately
16 \$600,000 into Account 33.

17 **Y. Account 34 (Live Oak Bank Account '6910)**

18 95. Account 34 is held in the name of Spear, and was funded
19 with proceeds traceable to SUA, involved in money laundering, or
20 both.

21 96. On or about March 16, 2016, as an opening deposit, Account
22 31 transferred \$250,000 into Account 34.

23 **Z. Account 35 and 36 (Ascensus Broker Services '4301 and '8001)**

24 97. Accounts 35 and 36 are held in the name of N. Spear,
25 Spear's adult daughter, and were funded with proceeds traceable to
26 SUA, involved in money laundering, or both.

27 a. On February 23, 2017, Account 31 transferred approximately
28 \$50,000 into Account 35.

1 Accounts.

2 e. On December 29, 2016, in five wires, the AZBT Annuity
3 Trusts Accounts sent approximately \$16,500,000 to Johnson Financial
4 account '9992.

5 f. On January 3, 2017, Johnson Financial account '9992
6 transferred \$16,500,000 to Account 37.

7 **AD TECH BV ASSETS**

8 **BB. Accounts 56, 57, and 58 (Fio Bank '5803, '5801, and '5805)**

9 100. Accounts 56, 57, and 58 are located in the Czech Republic
10 and held in the name of Ad Tech BV, identifying Ferrer as the
11 ultimate beneficial owner, which accounts were funded with proceeds
12 traceable to SUA, involved in money laundering, or both.

13 101. Account 56, 57, and 58 were set up and maintained to
14 receive payments for Backpage ads, that is, for "accounts
15 receivable." Merchant processors would accept credit card payments
16 and Bitcoins from Backpage advertisers as credit to place ads for
17 prostitution and other services. The merchant processors would then
18 transfer these funds to accounts set up to receive such payments,
19 specifically including Accounts 56, 57, and 58. All funds contained
20 within Accounts 56, 57, and 58 are traceable to SUA and involved in
21 money laundering.

22 **CC. Accounts 47, 48, 49 and 50 (BF Accounts 'K000 K, 'K000 U,
23 'K000 E, and 'K001 K)**

24 102. Accounts 47, 48, 49, and 50 are located in Principality of
25 Liechtenstein, and held for the benefit of Ferrer, which accounts
26 were funded with proceeds traceable to SUA, involved in money
27 laundering, or both.

28 103. Accounts 47, 48, 49, and 50 were set up and maintained to

1 receive payments for Backpage ads, that is, for "accounts
2 receivable." Merchant processors would accept credit card payments
3 and Bitcoins from Backpage advertisers as credit to place ads for
4 prostitution and other services. The merchant processors would then
5 transfer these funds to accounts set up to receive such payments,
6 specifically including Accounts 47, 48, 49, and 50. All funds
7 contained within Accounts 47, 48, 49, and 50 are traceable to SUA and
8 involved in money laundering.

9 **GOLD LEAF SRO FUNDS HELD AT FIO BANK**

10 **DD. Account 38, 39, and 30 (Fio Bank '2226, '2231, and '2230)**

11 104. Accounts 38, 39, and 40 are located in the Czech Republic,
12 and held for the benefit of Backpage by a third party entity named,
13 "Gold Leaf SRO." Accounts 38, 39, and 40 were funded with proceeds
14 traceable to SUA, involved in money laundering, or both.

15 105. Accounts 38, 39, and 40 were created outside the United
16 States with the intention of avoiding the "blockade" of Backpage set
17 up by U.S. credit card companies that refused to process Backpage
18 receipts following negative press associated with Backpage.

19 Approximately 99.5% of the payments into these accounts were to be
20 transferred to accounts held by Ad Tech BV, a Backpage controlled
21 company located in the Netherlands, after which transfer, the funds
22 could be directed for the benefit of Backpage or Backpage Operators
23 in the U.S. or abroad. All funds contained within Accounts 38, 39,
24 and 40 are traceable to SUA and involved in money laundering.

25
26 **PROTECCTIO SRO FUNDS HELD AT FIO BANK**

27 **EE. Accounts 41, 42, and 43 (Fio Bank '4194, '4196, and '4198)**

28 106. Accounts 41, 42, and 43 are located in the Czech Republic,

1 and held for the benefit of Backpage by a third party entity named,
2 "Protecctio SRO." Accounts 41, 42, and 43 were funded with proceeds
3 traceable to SUA, involved in money laundering, or both.

4 107. Accounts 41, 42, and 43 were created outside the United
5 States with the intention of avoiding the "blockade" of Backpage set
6 up by U.S. credit card companies that refused to process Backpage
7 receipts following negative press associated with Backpage.

8 Approximately 99.5% of the payments into these accounts were to be
9 transferred to accounts held by Ad Tech BV, a Backpage controlled
10 company located in the Netherlands, after which transfer the funds
11 could be directed for the benefit of Backpage or Backpage Operators
12 in the U.S. or abroad. All funds contained within Accounts 41, 42,
13 and 43 are traceable to SUA and involved in money laundering.

14 **VARICOK SRO FUNDS HELD AT FIO BANK**

15 **FF. Accounts 44, 45, and 46 (Fio Bank '8083, '8086, and '8080)**

16 108. Accounts 44, 45, and 46 are located in the Czech Republic,
17 and held in the name of Varicok Company SRO. Accounts 44, 45, and 46
18 were funded with proceeds traceable to SUA, involved in money
19 laundering, or both.

20 109. Accounts 44, 45, and 46 were created outside the United
21 States with the intention of avoiding the "blockade" of Backpage set
22 up by U.S. credit card companies that refused to process Backpage
23 receipts following negative press associated with Backpage.

24 Approximately 99.5% of the payments into these accounts were to be
25 transferred to accounts held by Ad Tech BV, a Backpage controlled
26 company located in the Netherlands, after which transfer, the funds
27 could be directed for the benefit of Backpage or Backpage Operators
28 in the U.S. or abroad. All funds contained within Accounts 44, 45,

1 and 46 are traceable to SUA and involved in money laundering.

2 **PROCOP SERVICES BV FUNDS HELD AT KNAB BANK**

3 **GG. Account 51 (KB `7664)**

4 110. Account 51 is located in the Kingdom of the Netherlands,
5 and held for the benefit of Backpage by a third party entity named,
6 "Procop Services BV." Account 51 was funded with proceeds traceable
7 to SUA, involved in money laundering, or both.

8 111. Account 51 was created outside the United States with the
9 intention of avoiding the "blockade" of Backpage set up by U.S.
10 credit card companies that refused to process Backpage receipts
11 following negative press associated with Backpage. Approximately
12 99.5% of the payments into Accounts 51 was to be transferred to
13 accounts held by Ad Tech BV, a Backpage controlled company located in
14 the Netherlands, after which transfer, the funds could be directed
15 for the benefit of Backpage or Backpage Operators in the U.S. or
16 abroad. All funds contained within Account 51 are traceable to SUA
17 and involved in money laundering.

18 **GULIETTA GROUP BV FUNDS HELD AT RABO BANK**

19 **HH. Accounts 52 and 53 (RB `2452 and `4721)**

20 112. Accounts 52 and 53 are located in the Kingdom of the
21 Netherlands and held for the benefit of Backpage by a third party
22 entity named, "Gulietta Group BV." Accounts 52 and 53 were funded
23 with proceeds traceable to SUA, involved in money laundering, or
24 both.

25 113. Accounts 52 and 53 were created outside the United States
26 with the intention of avoiding the "blockade" of Backpage set up by
27 U.S. credit card companies that refused to process Backpage receipts
28 following negative press associated with Backpage. Approximately

1 99.5% of the payments into these accounts were to be transferred to
 2 accounts held by Ad Tech BV, a Backpage controlled company located in
 3 the Netherlands, after which transfer, the funds could be directed
 4 for the benefit of Backpage or Backpage Operators in the U.S. or
 5 abroad. All funds contained within Accounts 52 and 53 are traceable
 6 to SUA and involved in money laundering.

7 **CASHFLOWS EUROPE LTD FUNDS HELD FOR GULIETTA GROUP B.V., UNIVERSADS**

8 **B.V., PROCOPSERVICES B.V. and PROTECCIO SRO**

9 **II. Account 55 (SP '1262)**

10 114. Account 55 is located in the United Kingdom and held by a
 11 third party entity, "Cashflows Europe Limited" ("Cashflows").
 12 Although Backpage is the ultimate beneficiary of Account 55,
 13 Cashflows acts first as an entity holding this account for the
 14 benefit of Gulietta Group B.V., Universads B.V., Procop Services
 15 B.V., and Proteccio SRO (collectively referred to as, the
 16 "Entities"), each of which company is owned or controlled by
 17 Backpage. Account 55 was funded with proceeds traceable to SUA,
 18 involved in money laundering, or both.

19 115. Account 55 was created outside the United States with the
 20 intention of avoiding the "blockade" of Backpage set up by U.S.
 21 credit card companies that refused to process Backpage receipts
 22 following negative press associated with Backpage. Approximately
 23 99.5% of the payments into Accounts 55 was to be transferred to
 24 accounts held by Ad Tech BV, a Backpage controlled company located in
 25 the Netherlands, after which transfer, the funds could be directed
 26 for the benefit of Backpage or Backpage Operators in the U.S. or
 27 abroad. All funds contained within Account 55 are traceable to SUA
 28 and involved in money laundering.

1 **JJ. Account 54 (LHVP '4431)**

2 116. Account 54 is an account maintained in the Republic of
3 Estonia, held in the name of Olist OU for the benefit of Backpage.
4 Account 54 was funded with proceeds traceable to SUA, involved in
5 money laundering, or both.

6 117. Account 54 was created outside the United States with the
7 intention of avoiding the "blockade" of Backpage set up by U.S.
8 credit card companies that refused to process Backpage receipts
9 following negative press associated with Backpage. Approximately
10 99.5% of the payments into Accounts 54 was to be transferred to
11 accounts held by Ad Tech BV, a Backpage controlled company located in
12 the Netherlands, after which transfer, the funds could be directed
13 for the benefit of Backpage or Backpage Operators in the U.S. or
14 abroad. All funds contained within Account 54 are traceable to SUA
15 and involved in money laundering.

16 **BACKPAGE-CONTROLLED DOMAIN NAMES**

17 **KK. ASCIO/WMB Inc Domain Names**

18 118. Until recently, Backpage controlled numerous domain names,
19 which have since been seized by the government pursuant to a seizure
20 warrant issued in this district.¹¹

21 119. The Seized Domains are registered by "ASCIO TECHNOLOGIES
22 INC" DBA "NETNAMES," a domain registrar that manages the reservation
23 of internet domain names. A domain registrar serves to ensure that a
24 registered domain name, like each of the Seized Domains, is not
25 double sold.

26 120. Additionally, a domain registration will allow the owner of
27 the domain to direct internet traffic to a company's webserver. The
28

¹¹ 18-MJ-00711

1 Seized Domains were found to have been acquired and maintained with
2 funds traceable to the money laundering scheme described herein,
3 specifically with funds from Account 1, and the Seized Domains were
4 the mechanism Backpage used to promote the prostitution and sex
5 trafficking activity.

6 121. The following domains constitute and are derived from
7 proceeds traceable to SUA, involved in money laundering, or both:

8 a. atlantabackpage.com

9 b. backpage.be

10 c. backpage.com

11 d. backpage.com.br

12 e. backpage.cz

13 f. backpage.dk

14 g. backpage.ee

15 h. backpage.es

16 i. backpage.fi

17 j. backpage.fr

18 k. backpage.gr

19 l. backpage.hu

20 m. backpage.ie

21 n. backpage.it

22 o. backpage.lt

23 p. backpage.mx

24 q. backpage.net

25 r. backpage.no

26 s. backpage.pl

27 t. backpage.pt

1 u. backpage.ro
2 v. backpage.si
3 w. backpage.sk
4 x. backpage.us
5 y. backpage-insider.com
6 z. bestofbackpage.com
7 aa. bestofbigcity.com
8 bb. bigcity.com
9 cc. chicagobackpage.com
10 dd. denverbackpage.com
11 ee. newyorkbackpage.com
12 ff. phoenixbackpage.com
13 gg. sandiegobackpage.com
14 hh. seattlebackpage.com
15 ii. tampabackpage.com

16 **LL. SURRENDERED DOMAIN NAMES**

17
18 122. Until recently, Backpage also controlled numerous domain
19 names that Backpage has since surrendered (pursuant to its guilty
20 plea on April 5, 2018, in the District of Arizona).

21 123. The following websites were purchased and/or maintained, in
22 whole or in part, with proceeds traceable to SUA, involved in money
23 laundering, or both:

24 a. admoderation.com (Versio)
25 b. admoderators.com (Versio)
26 c. adnet.ws (NetNames)
27 d. adplace24.com (Versio)
28 e. adplaces24.com (Versio)

1 f. adpost24.com (Versio)
2 g. adpost24.cz (GoDaddy)
3 h. adquick365.com (Versio)
4 i. adreputation.com (NetNames)
5 j. ads-posted-mp.com (Versio)
6 k. adsplace24.com (Versio)
7 l. adspot24.com (Versio)
8 m. adspots24.com (Versio)
9 n. adsspot24.com (Versio)
10 o. adtechbv.co.nl (NetNames)
11 p. adtechbv.com (NetNames)
12 q. adtechbv.nl (NetNames)
13 r. advert-ep.com (Versio)
14 s. adverts-mp.com (Versio)
15 t. axme.com (GoDaddy)
16 u. back0age.com (NetNames)
17 v. backpa.ge (NetNames)
18 w. backpaee.com (NetNames)
19 x. backpage-insider.com (NetNames)
20 y. backpage.adult (NetNames)
21 z. backpage.ae (NetNames)
22 aa. backpage.at (NetNames)
23 bb. backpage.ax (NetNames)
24 cc. backpage.be (NetNames)
25 dd. backpage.bg (European domains)
26 ee. backpage.bg (NetNames)
27 ff. backpage.ca (NetNames)
28

1 gg. backpage.cl (NetNames)
2 hh. backpage.cn (European domains)
3 ii. backpage.cn (NetNames)
4 jj. backpage.co.id (NetNames)
5 kk. backpage.co.nl (European domains)
6 ll. backpage.co.nl (NetNames)
7 mm. backpage.co.nz (NetNames)
8 nn. backpage.co.uk (NetNames)
9 oo. backpage.co.ve (NetNames)
10 pp. backpage.co.za (NetNames)
11 qq. backpage.com (NetNames)
12 rr. backpage.com.ar (NetNames)
13 ss. backpage.com.au (NetNames)
14 tt. backpage.com.ph (NetNames)
15 uu. backpage.cz (NetNames)
16 vv. backpage.dk (NetNames)
17 ww. backpage.ec (NetNames)
18 xx. backpage.ee (European domains)
19 yy. backpage.ee (NetNames)
20 zz. backpage.es (NetNames)
21 aaa. backpage.fi (European domains)
22 bbb. backpage.fi (NetNames)
23 ccc. backpage.fr (European domains)
24 ddd. backpage.fr (NetNames)
25 eee. backpage.gr (European domains)
26 fff. backpage.gr (NetNames)
27 ggg. backpage.hk (European domains)

1 hhh. backpage.hk (NetNames)
2 iii. backpage.hu (European domains)
3 jjj. backpage.hu (NetNames)
4 kkk. backpage.ie (NetNames)
5 lll. backpage.in (NetNames)
6 mmm. backpage.it (NetNames)
7 nnn. backpage.jp (NetNames)
8 ooo. backpage.kr (NetNames)
9 ppp. backpage.lt (NetNames)
10 qq. backpage.lv (European domains)
11 rrr. backpage.lv (NetNames)
12 sss. backpage.me (NetNames)
13 ttt. backpage.mx (NetNames)
14 uuu. backpage.my (NetNames)
15 vvv. backpage.net (NetNames)
16 www. backpage.nl (NetNames)
17 xxx. backpage.no (European domains)
18 yyy. backpage.no (NetNames)
19 zzz. backpage.nz (NetNames)
20
21 aaaa. backpage.pe (NetNames)
22 bbbb. backpage.ph (NetNames)
23 cccc. backpage.pk (NetNames)
24 dddd. backpage.pl (NetNames)
25 eeee. backpage.porn (NetNames)
26 ffff. backpage.pt (NetNames)
27 gggg. backpage.ro (European domains)
28 hhhh. backpage.ro (NetNames)

1	iiii.	backpage.se (NetNames)
2	jjjj.	backpage.sex (NetNames)
3	kkkk.	backpage.sg (NetNames)
4	llll.	backpage.si (European domains)
5	mmmm.	backpage.si (NetNames)
6	nnnn.	backpage.sk (European domains)
7	oooo.	backpage.sk (NetNames)
8	pppp.	backpage.sucks (NetNames)
9	qqqq.	backpage.tw (NetNames)
10	rrrr.	backpage.uk (NetNames)
11	ssss.	backpage.uk.com (NetNames)
12	tttt.	backpage.us (NetNames)
13	uuuu.	backpage.vn (NetNames)
14	vvvv.	backpage.xxx (NetNames)
15	wwww.	backpage.xyz (NetNames)
16	xxxx.	backpagecompimp.com (NetNames)
17	yyyy.	backpagecompimps.com (NetNames)
18	zzzz.	backpagepimp.com (NetNames)
19	aaaaa.	backpagepimps.com (NetNames)
20	bbbbb.	backpagg.com (NetNames)
21	ccccc.	backpagm.com (NetNames)
22	ddddd.	backpagu.com (NetNames)
23	eeeee.	backpaoe.com (NetNames)
24	ffffff.	backpawe.com (NetNames)
25	ggggg.	backqage.com (NetNames)
26	hhhhh.	backrage.com (NetNames)
27	iiii.	backxage.com (NetNames)
28		

1	jjjjj.	bakpage.com (NetNames)
2	kkkkk.	bcklistings.com (NetNames)
3	lllll.	bestofbakpage.com (NetNames)
4	mmmmm.	bestofbigcity.com (NetNames)
5	nnnnn.	bickpage.com (NetNames)
6	ooooo.	bigcity.com (NetNames)
7	ppppp.	bpclassified.com (NetNames)
8	qqqqq.	bpclassifieds.com (NetNames)
9	rrrrr.	carlferrer.com (NetNames)
10	sssss.	clasificadosymas.com (NetNames)
11	ttttt.	clasificadosymas.net (NetNames)
12	uuuuu.	clasificadosymas.org (NetNames)
13	vvvvv.	classifiedsolutions.co.uk (NetNames)
14	wwwww.	classifiedsolutions.net (NetNames)
15	xxxxx.	classyadultads.com (Versio)
16	yyyyy.	columbusbakpage.com (NetNames)
17	zzzzz.	connecticutbakpage.com (NetNames)
18	aaaaa.	cracker.co.id (NetNames)
19	bbbbb.	cracker.com (NetNames)
20	ccccc.	cracker.com.au (NetNames)
21	ddddd.	cracker.id (NetNames)
22	eeeeee.	cracker.net.au (NetNames)
23	ffffff.	crackers.com.au (NetNames)
24	ggggg.	crackers.net.au (NetNames)
25	hhhhh.	ctbakpage.com (NetNames)
26	iiiii.	dallasbakpage.com (NetNames)
27	jjjjj.	denverbakpage.com (NetNames)
28		

1 kkkkkk. easypost123.com (Versio)
2 llllll. easyposts123.com (Versio)
3 mmmmmm. emais.com.pt (NetNames)
4 nnnnnn. evilempire.com (NetNames)
5 oooooo. ezpost123.com (Versio)
6 pppppp. fackpage.com (NetNames)
7 qqqqqq. fastadboard.com (Versio)
8 rrrrrr. gulietagroup.nl (Versio)
9 ssssss. http.org (NetNames)
10 tttttt. ichold.com (NetNames)
11 uuuuuu. internetspeechfoundation.com (nameisp)
12 vvvvvv. internetspeechfoundation.org (nameisp)
13 wwwwww. loads2drive.com (NetNames)
14 xxxxxx. loadstodrive.com (NetNames)
15 yyyyyy. loadtodrive.com (NetNames)
16 zzzzzz. losangelesbackpage.com (NetNames)
17 aaaaaa. mediafilecloud.com (NetNames)
18 bbbbbb. miamibackpage.com (NetNames)
19 cccccc. minneapolisbackpage.com (NetNames)
20 ddddddd. mobileposting.com (Versio)
21 eeeeeee. mobilepostings.com (Versio)
22 ffffffff. mobilepostlist.com (Versio)
23 ggggggg. mobilposting.com (Versio)
24 hhhhhh. naked.city (NetNames)
25 iiiiii. nakedcity.com (NetNames)
26 jjjjjj. newyorkbackpage.com (NetNames)
27 kkkkkkk. paidbyhour.com (NetNames)
28

1 1111111. petseekr.com (NetNames)
2 mmmmmmm. petsfindr.com (NetNames)
3 nnnnnnn. phoenixbackpage.com (NetNames)
4 ooooooo. posteasyl23.com (Versio)
5 ppppppp. postfaster.com (NetNames)
6 qqqqqqq. postfastly.com (NetNames)
7 rrrrrrr. postfastr.com (NetNames)
8 sssssss. postonlinewith.com (Versio)
9 ttttttt. postonlinewith.me (Versio)
10 uuuuuuu. postseasyl23.com (Versio)
11 vvvvvvv. postsol.com (GoDaddy)
12 wwwwww. postzone24.com (Versio)
13 xxxxxxx. postzone24.com (Versio)
14 yyyyyyy. postzones24.com (Versio)
15 zzzzzzz. rentseekr.com (NetNames)
16 aaaaaaaa. results911.com (NetNames)
17 bbbbbbbb. sandiegobackpage.com (NetNames)
18 cccccccc. sanfranciscobackpage.com (NetNames)
19 dddddddd. seattlebackpage.com (NetNames)
20 eeeeeeee. sellyostuffonline.com (Versio)
21 ffffffff. sfbackpage.com (NetNames)
22 gggggggg. simplepost24.com (Versio)
23 hhhhhhhh. simpleposts24.com (Versio)
24 iiiiiiii. svc.ws (NetNames)
25 jjjjjjjj. truckrjobs.com (NetNames)
26 kkkkkkkk. ugctechgroup.com (NetNames)
27 llllllll. universads.nl (Versio)

1 mmmmmmmmm. villagevoicepimps.com (GoDaddy)
2 nnnnnnnnn. websitetechnologies.co.uk (NetNames)
3 ooooooooo. websitetechnologies.com (NetNames)
4 ppppppppp. websitetechnologies.net (NetNames)
5 qqqqqqqqq. websitetechnologies.nl (NetNames)
6 rrrrrrrrr. websitetechnologies.org (NetNames)
7 sssssssss. weprocessmoney.com (GoDaddy)
8 ttttttttt. wst.ws (NetNames)
9 uuuuuuuuu. xn--yms-fla.com (NetNames)
10 vvvvvvvvv. ymas.ar.com (European domains)
11 wwwwwwwww. ymas.br.com (European domains)
12 xxxxxxxxx. ymas.br.com (NetNames)
13 yyyyyyyyy. ymas.bz (European domains)
14 zzzzzzzzz. ymas.bz (NetNames)
15
16 aaaaaaaaa. ymas.cl (European domains)
17 bbbbbbbbbb. ymas.cl (NetNames)
18 ccccccccc. ymas.co.bz (European domains)
19 ddddddddd. ymas.co.bz (NetNames)
20 eeeeeeeee. ymas.co.cr (European domains)
21 ffffffffff. ymas.co.cr (NetNames)
22 gggggggggg. ymas.co.ni (European domains)
23 hhhhhhhhhh. ymas.co.ni (NetNames)
24 iiiiiiiiii. ymas.co.ve (European domains)
25 jjjjjjjjjj. ymas.co.ve (NetNames)
26 kkkkkkkkkk. ymas.com (NetNames)
27 llllllllll. ymas.com.br (European domains)
28 mmmmmmmmm. ymas.com.br (NetNames)

1	nnnnnnnnnn.	ymas.com.bz (European domains)
2	oooooooooo.	ymas.com.bz (NetNames)
3	pppppppppp.	ymas.com.co (European domains)
4	qqqqqqqqqq.	ymas.com.co (NetNames)
5	rrrrrrrrrr.	ymas.com.do (European domains)
6	ssssssssss.	ymas.com.do (NetNames)
7	tttttttttt.	ymas.com.ec (European domains)
8	uuuuuuuuuu.	ymas.com.ec (NetNames)
9	vvvvvvvvvv.	ymas.com.es (European domains)
10	wwwwwwwww.	ymas.com.es (NetNames)
11	xxxxxxxxxx.	ymas.com.gt (European domains)
12	yyyyyyyyyy.	ymas.com.gt (NetNames)
13	zzzzzzzzzz.	ymas.com.hn (European domains)
14	aaaaaaaaaa.	ymas.com.hn (NetNames)
15	bbbbbbbbbbb.	ymas.com.mx (NetNames)
16	ccccccccccc.	ymas.com.ni (European domains)
17	ddddddddddd.	ymas.com.ni (NetNames)
18	eeeeeeeeeee.	ymas.com.pe (European domains)
19	ffffffffffff.	ymas.com.pe (NetNames)
20	ggggggggggg.	ymas.com.pr (European domains)
21	hhhhhhhhhhh.	ymas.com.pr (NetNames)
22	iiiiiiiiiii.	ymas.com.pt (NetNames)
23	jjjjjjjjjjj.	ymas.com.uy (European domains)
24	kkkkkkkkkkk.	ymas.com.uy (NetNames)
25	lllllllllll.	ymas.com.ve (European domains)
26	mmmmmmmmmmm.	ymas.com.ve (NetNames)
27	nnnnnnnnnnn.	ymas.com.ve (NetNames)
28	nnnnnnnnnnn.	ymas.cr (European domains)

1 oooooooo. ymas.cr (NetNames)
 2 ppppppppppp. ymas.do (European domains)
 3 qqqqqqqqqqq. ymas.do (NetNames)
 4 rrrrrrrrrrrr. ymas.ec (European domains)
 5 sssssssssss. ymas.ec (NetNames)
 6 ttttttttttt. ymas.es (European domains)
 7 uuuuuuuuuuu. ymas.es (NetNames)
 8 vvvvvvvvvvv. ymas.org (NetNames)
 9 wwwwwwwww. ymas.pe (European domains)
 10 xxxxxxxxxxx. ymas.pe (NetNames)
 11 yyyyyyyyyyy. ymas.pt (NetNames)
 12 zzzzzzzzzzz. ymas.us (European domains)
 13 aaaaaaaaaaa. ymas.us (NetNames)
 14 bbbbbbbbbbb. ymas.uy (European domains)
 15 ccccccccccc. ymas.uy (NetNames)
 16 ddddddddddd. ymas.uy.com (European domains)

BACKPAGE SURRENDERED ASSETS

MM. Assets Surrendered To The United States By Backpage

124. On or about May 8, 2018, all of the funds, digital
 currencies, and other property listed in this subsection were
 transferred into the United States Postal Inspection Service holding
 bank account, Bitcoins wallet, Bitcoins Cash wallet, Litecoin wallet,
 and Bitcoins Gold wallet. These Surrendered Assets constitute and
 are derived from proceeds traceable to SUA, involved in money
 laundering, or both.

125. On May 8, 2018, within the Stipulation for Preliminary
 Order of Forfeiture, CR18-465-PHX-SPL, Ferrer, in his capacity as CEO

1 of Backpage, stipulated that the following bank funds, securities, or
2 other assets are criminally derived proceeds of Backpage's illegal
3 activity, involved in money laundering transactions, or both, and as
4 such, are forfeitable property:

5 a. \$699,940.00 wire transferred from ING Bank account '7684,
6 held in the name of Payment Solutions BV.

7 b. \$106,988.41 wire transferred from ING Bank account '2071,
8 held in the name of Payment Solutions BV.

9 c. \$499,910.01 wire transferred from US Bank account '0239,
10 held in the name of Affordable Bail Bonds LLC.

11 d. \$50,000.00 wire transferred from Enterprise Bank and Trust
12 account '7177, held in the name of Global Trading Solutions LLC.

13 e. \$1,876.36 wire transferred from ING Bank account '2071,
14 held in the name of Payment Solutions BV.

15 f. \$50,357.35 wire transferred from ING Bank account '7684,
16 held in the name of Payment Solutions BV.

17 g. \$248,970.00 wire transferred from Citibank NA, account
18 '0457, held in the name of Paul Hastings LLP.

19 h. \$52,500.00 wire transferred from Enterprise Bank and Trust
20 account '7177, held in the name of Global Trading Solutions LLC.

21 i. \$65,000.00 wire transferred from Enterprise Bank and Trust
22 account '7177, held in the name of Global Trading Solutions LLC.

23 j. \$5,534.54 wire transferred from Enterprise Bank and Trust
24 account '7177, held in the name of Global Trading Solutions LLC.

25 k. \$52,500.00 wire transferred from Crypto Capital

26 i. 6 Bitcoins transferred from a Backpage controlled
27 wallet;
28

1 ii. 199.99995716 Bitcoins transferred from a Backpage
2 controlled wallet;

3 iii. 404.99984122 Bitcoins transferred from a Backpage
4 controlled wallet;

5 iv. 173.97319 Bitcoins transferred from a Backpage
6 controlled wallet;

7 v. 411.00019 Bitcoins transferred from a Backpage
8 controlled wallet;

9 vi. 2.00069333 Bitcoins transferred from a Backpage
10 controlled wallet;

11 vii. 136.6544695 Bitcoins transferred from a Backpage
12 controlled wallet;

13 viii. 2,673.59306905 Bitcoins Cash transferred
14 from a Backpage controlled wallet;

15 ix. 55.5 Bitcoins Cash transferred from a Backpage
16 controlled wallet;

17 x. 73.62522241 Bitcoins Cash transferred from a
18 Backpage controlled wallet;

19 xi. 16,310.79413202 Litecoin transferred from a
20 Backpage controlled wallet;

21 xii. 783.9735116 Litecoin transferred from a Backpage
22 controlled wallet; and

23 xiii. 509.81904619 Bitcoins Gold transferred from
24 a Backpage controlled wallet.

25
26 **NN. BACKPAGE FUNDS PREVIOUSLY HELD AT DAVIS WRIGHT TREMAINE**

27 126. On August 13, 2018, Davis Wright Tremaine initiated a wire
28

1 transfer of \$3,713,121.03 from Bank of America account '3414, held in
2 the name of Davis Wright Tremaine, LLP into the government holding
3 account.

4 a. Between January 13 and January 20, 2017, a GoCoin account
5 wire transferred \$1,318,800 to the Veritex Account.

6 b. On June 22, 2017, the Veritex Account wire transferred
7 \$1,000,000 into Account 27.

8 c. On April 27, 2017, the Netherlands Account wire transferred
9 \$2,500,000 to Account 27.

10 d. On April 28, 2017, the Netherlands Account wire transferred
11 \$2,500,000 to Account 27.

12 e. On May 24, 2017, Account 1 wire transferred \$500,000 into
13 Account 27.

14 f. On September 13, 2017, Account 1 wire transferred
15 \$1,000,000 into Account 27.

16 g. On September 27, 2017, the Netherlands Account wire
17 transferred about \$778,802.96 into Account 27.

18 h. On October 20, 2017, Account 1 wire transferred \$500,000
19 into Account 27.

20 FIRST CLAIM FOR RELIEF

21 (18 U.S.C. § 981(a)(1)(C))

22 127. Based on the facts set out above, Plaintiff alleges that
23 the Defendant Assets constitute, and are derived from, proceeds
24 traceable to one or more violations of Title 18, United States Code,
25 Sections 1591 (Sex Trafficking of Children) and 1952 (Interstate and
26 Foreign Travel in Aid of Racketeering Enterprise), each of which is a
27 specified unlawful activity under 18 U.S.C. §§ 1956(c)(7)(A),
28 1956(c)(7)(B)(iv) and 1956(c)(7)(D), and a conspiracy to commit such

1 offenses. The Defendant Assets are therefore subject to forfeiture
2 to the United States pursuant to 18 U.S.C. § 981(a)(1)(C).

3 SECOND CLAIM FOR RELIEF

4 (18 U.S.C. § 981(a)(1)(A))

5 128. Based on the facts set out above, Plaintiff alleges that
6 the Defendant Assets were involved in, and are traceable to, property
7 involved in one or more transactions or attempted transactions in
8 violation of section 18 U.S.C. § 1957, and a conspiracy to commit
9 such offenses, in violation of section 18 U.S.C. § 1956(h).

10 Specifically, the Defendant Assets were involved in and are traceable
11 to property involved in one or more financial transactions, attempted
12 transactions, and a conspiracy to conduct or attempt to conduct such
13 transactions in criminally derived property of a value greater than
14 \$10,000 that was derived from specified unlawful activities, to wit,
15 violations of Title 18, United States Code, Sections 1591 (Sex
16 Trafficking of Children) and 1952 (Interstate and Foreign Travel in
17 Aid of Racketeering Enterprise), each of which is a specified
18 unlawful activity under 18 U.S.C. §§ 1956(c)(7)(A), 1956(c)(7)(B)(iv)
19 and 1956(c)(7)(D), and a conspiracy to commit such offenses. The
20 Defendant Assets are therefore subject to forfeiture to the United
21 States pursuant to 18 U.S.C. § 981(a)(1)(A).

22 THIRD CLAIM FOR RELIEF

23 (18 U.S.C. § 981(a)(1)(A))

24 129. Based on the facts set out above, Plaintiff alleges that
25 the Defendant Assets were involved in, and are traceable to property
26 involved in, one or more transactions or attempted transactions in
27 violation of section 18 U.S.C. § 1956(a)(1)(B)(i) (Concealment Money
28 Laundering), (a)(2) (International Money Laundering), and a

1 conspiracy to commit such offenses, in violation of section 18 U.S.C.
2 § 1956(h). Specifically, the Defendant Assets were involved in and
3 are traceable to property involved in one or more financial
4 transactions, attempted transactions, and a conspiracy to conduct or
5 attempt to conduct such transactions involving the proceeds of
6 specified unlawful activity, to wit, violations of Title 18, United
7 States Code, Sections 1591 (Sex Trafficking of Children) and 1952
8 (Interstate and Foreign Travel in Aid of Racketeering Enterprise),
9 each of which is a specified unlawful activity under 18 U.S.C.
10 §§ 1956(c)(7)(A), 1956(c)(7)(B)(iv) and 1956(c)(7)(D), and a
11 conspiracy to commit such offenses. The Defendant Assets are
12 therefore subject to forfeiture to the United States pursuant to 18
13 U.S.C. § 981(a)(1)(A).

14 WHEREFORE, plaintiff United States of America prays that:

15 (a) due process issue to enforce the forfeiture of the
16 Defendant Assets;

17 (b) due notice be given to all interested parties to appear and
18 show cause why forfeiture should not be decreed;

19 (c) that this Court decree forfeiture of the Defendant Assets
20 to the United States of America for disposition according to law; and

21 (d) for such other and further relief as this Court may deem
22 just and proper, together with the costs and disbursements of this
23 action.
24
25
26
27
28

1 Dated: October 5, 2018

NICOLA T. HANNA
United States Attorney
LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division
STEVEN R. WELK
Assistant United States Attorney
Chief, Asset Forfeiture Section

6 /s/John J. Kucera
7 JOHN J. KUCERA
Assistant United States Attorney

8 Attorneys for Plaintiff
9 United States of America

VERIFICATION

I, Lyndon A Versoza, hereby declare that:

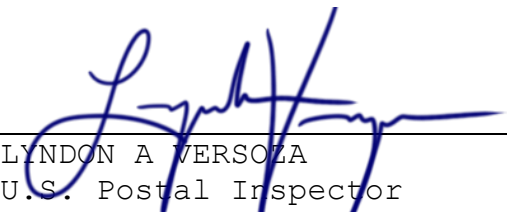
1. I am a United States Postal Inspector with the United States Postal Inspection Service. I am the case agent for the civil forfeiture action entitled *United States v. \$404,374.12 in Bank Funds Seized from National Bank of Arizona Account '0178; \$1,925.80 in Bank Funds Seized from National Bank of Arizona Account '0151; \$613,573.28 in Bank Funds Seized from National Bank of Arizona Account '3645; \$260,283.40 in Bank Funds Seized from National Bank of Arizona Account '6910; \$64,552.82 in Bank Funds Seized from or Frozen in Ascensus Broker Services '4301; and \$56,902.00 in Bank Funds Seized from or Frozen in Ascensus Broker Services '8001.*

2. I have read the above Verified First Amended Complaint for Forfeiture and know its contents, which is based upon my own personal knowledge and reports provided to me by other agents.

3. Everything contained in the First Amended Complaint is true and correct, to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 5, 2018 in Los Angeles, California.


LYNDON A VERSOZA
U.S. Postal Inspector
United States Postal Inspection
Service